



ALABAMA
DEPARTMENT OF
REVENUE

**GENERAL SUMMARY
OF STATE TAXES**

2020

The Alabama Department of Revenue is an Affirmative Action/Equal Opportunity Employer.

Equal Employment Opportunity Policy

It is the intent of the Alabama Department of Revenue to maintain a work environment that is free from discrimination against qualified individuals because of race, color, sex, religion, national origin, age, genetic information or disability. This department is committed to providing equal employment opportunity for all.

**Alabama Department of Revenue
General Summary of State Taxes**

**Vernon Barnett
Commissioner**



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Tax Policy and Governmental Affairs Division
2020

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Introduction

The General Summary of State Taxes is published by the Alabama Department of Revenue to provide a concise handbook about the revenue sources -- taxes or fees -- currently available to the state of Alabama. The publication is divided into three sections.

The General Information section features information about the Department, including a brief history of the Department and a brief description of its statutory duties and responsibilities. This section also includes information about some of the services and resources available to taxpayers through the Department's website, descriptions of the various service units within the Department, and useful contact information.

The Tax Information section provides concise information about the taxes and fees administered by the Department, including the related statutory or constitutional authority for the tax or fee; its basis and rate, related exemptions, and filing and payment due dates; and the required distribution of the proceeds from the tax or fee. This information is current through the 2020 Regular Session of the Alabama Legislature.

The Revenue Legislation Section contains legislative changes made during the 2020 Regular Session.

Inquiries about this publication may be directed to the Department's Tax Policy and Governmental Affairs Division at 334-242-1380.

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.

General Information

Revenue Department Website

The Department maintains a website 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 website address is www.revenue.alabama.gov.

The Department provides taxpayers access to account information through its My Alabama Taxes (MAT) portal. Taxpayers can register to view their accounts online. Taxpayers can also file and pay individual taxes along with certain business taxes and print copies of their tax returns and letters. Taxpayers can access MAT by visiting the Department's home page and selecting the available link or by going to www.myalabamataxes.alabama.gov.

Income Tax Refund Inquiry

Taxpayers can check the status of a refund from their iPhone or Android device by downloading the free My AL Refund app from the Apple App Store or Google Play.

Taxpayers' Bill of Rights, Uniform Revenue Procedures Act, and Taxpayer Advocate

The Taxpayers' Bill of Rights, Sections 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 these procedures and provisions into one chapter of the Alabama tax code. It also provides for the appointment of the Taxpayer Advocate by the Commissioner of the Department of Revenue to resolve certain taxpayer matters.

Historical Outline

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 created 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 of Alabama 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. In 1933, the legislature again enacted an income tax, which subsequently was upheld by the Supreme Court of Alabama.

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 land 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 day Alabama Department of Revenue. This same year, the legislature designated the chief executive officer of the Department as both the Commissioner of Revenue and the ex-officio Land Commissioner. Corresponding with these changes, the legislature created the Office of Legal Counsel within the Department to provide assistance with tax litigation. With these changes the entire state revenue system was joined together under the leadership of the Commissioner of Revenue.

General Duties and Responsibilities of the Department

The duties of the Alabama Department of Revenue are set forth in Section 40-2-11, Code of Alabama 1975. These duties include the following:

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;

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; and

To issue executions and writs of garnishment.

Office of the Commissioner of Revenue

Commissioner

The Commissioner of Revenue serves as the chief executive officer of the Alabama Department of Revenue. The commissioner is appointed by and serves at the pleasure of the governor.

The commissioner is responsible for the operation and management of the Department of Revenue. In addition to the administration, collection, and enforcement of over 50 state taxes and fees, with annual collections exceeding \$10 billion, the commissioner is also, by law, the ex-officio Land Commissioner.

As ex-officio Land Commissioner, the commissioner oversees the sales of all property acquired and sold by the state for delinquent property taxes. By law, the Commissioner of Revenue also serves on the State Records Commission, the Alabama Education Authority, the Alabama Public School Corporation, the Enterprise Zone Advisory Council, the State Industrial Development Authority, and the Alabama Commerce Commission.

The appointment, term of office, and qualifications of the commissioner are set forth in Section 40-2-41, Code of Alabama, 1975.

Assistant and Deputy Commissioners

The assistant and deputy commissioners of the Department of Revenue are appointed positions and hold office according to the provisions of the state merit system, as provided by Chapter 26 of Title 36, Code of Alabama 1975.

Section 40-2-44, Code of Alabama 1975 establishes the office of assistant commissioner and provides that in the absence of the commissioner, the assistant commissioner will assume the duties of the office of the Commissioner of Revenue.

Assistant and deputy commissioners provide for management continuity and stability for the Department irrespective of changes in state administration. Duties include but are not limited to: the development and communication of major tax policies; the creation and implementation of actions that increase the efficiency and effectiveness of the Department; liaison functions with the governor and the governor's staff; and interactions with legislators, business groups, and professional associations.

Secretary

Duties of the secretary include keeping full and correct minutes and records of all hearings, transactions, proceedings, and findings of the Department and other duties as may be required by law or by the Department.

Legal Counsel

The Commissioner of Revenue, with the approval of the attorney general, appoints an attorney as legal counsel for the Department who holds office at the pleasure of

the governor. The counsel shall be commissioned as an assistant attorney general and, in addition to the powers and duties conferred, have the authority and duties of an assistant attorney general; except, that his or her entire time shall be devoted to the Department of Revenue. Department attorneys take the oath required of other assistant attorneys general.

Taxpayer Advocate

The Taxpayer Advocate is designated 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.

Department Directory

Alabama Department of Revenue

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

Commissioner of Revenue

Vernon Barnett
Rm. 4112, Gordon Persons Bldg.
334-242-1175

Office of the Commissioner of Revenue

Deputy Commissioner

Curtis Stewart
Rm. 4112, GPB, 334-242-1175

Deputy Commissioner

Mike Gamble
Rm. 4112, GPB, 334-242-1175

Deputy Commissioner

Donald J. Graham
Rm. 4112, GPB, 334-242-1175

Deputy Commissioner

Derrick Coleman
Rm. 4112, GPB, 334-242-1175

Legal Division

Craig Banks, Chief Counsel
Rm. 3114, GPB, 334-242-9690

Department Secretary

Kelley Gillikin
Rm. 4131, GPB, 334-242-1380

Office of Taxpayer Advocacy

Brenda Russ, Director
Rm. 1226, GPB, 334-242-1055

Divisions

Business and License Tax Division

Janet W. Stathopoulos, Director
Alisa G. Johnson, Assistant Director
Rm. 1210, GPB, 334-242-9600

- Business Privilege Licenses
- Severance Taxes (Oil and Gas, Forest Products, Coal, Alabama Uniform Natural Minerals Tax, and Local Solid Minerals)
- Tobacco Taxes (state and county)
- Escrow and Complimentary Legislation Provisions relating to the Tobacco Master Settlement Agreement
- 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 Diesel Fuels Taxes
- Lubricating Oil Tax
- Aviation Fuels Tax
- Wholesale Oil/Import License Fee
- Compressed Natural Gas (CNG)/Liquefied Natural Gas (LNG) Excise Taxes
- Motor Carrier Mileage Tax
- Scrap Tire Environmental Fee
- State Inspection Fee
- County Fuel Taxes
- Motor Fuel Single Point System

Collection Services Division

Mark Flagge, Director
Miriam Dingman, Assistant Director
Suite 10000, 445 Dexter Ave., 334-242-1220

- Final Assessment Collection
- Garnishments
- Property Seizures
- Trust Fund Recovery

Economic Development

Kelly Graham, Director
Rm. 4112, GPB, 334-242-1175

Human Resources Division

Linda Ellis, Director
Brandy Hicks, Assistant Director
Rm. 4102, GPB, 334-242-1670

Income Tax Administration Division

Kathleen Abrams, Director
Rm. 4212, GPB, 334-242-1103
Craig Davis, Assistant Director
Rm. 4212, GPB, 334-242-1101

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

Income Tax Audit and Appeals Division

Sylvester Cannon, Director
Rm. 4206, GPB, 334-242-9803
Kathy Alabi, Assistant Director
Rm. 4340, GPB, 334-242-1010

- Instate Audit Activities
- Individual Hearings
- Multistate Audit Activities
- Corporate Hearings
- Audit Selection and Verification
- Corporate Audit
- Pass-Thru Audit
- Compliance

Information Technology Division

Rita Allen, Director
Rm. 1115, GPB, 334-353-5363
Matthew Dyar, Assistant Director
Rm. 1115, 334-242-8532

Investigations Division

Emanuel Roberts, Manager
851 E. I65 Service Rd. S., Mobile, AL, 36606, 251-344-4737

Motor Vehicle Division

Jay Starling, Director
Sherry Helms, Assistant Director
Montgomery Taxpayer Service Center
2545 Taylor Road, Montgomery, AL, 36117, 334-242-9000

- Motor Vehicle Titles
- Motor Vehicle Registration
- Mandatory Liability Insurance
- International Fuel Tax Agreement
- International Registration Plan
- Motor Vehicle Dealer, Rebuilder, Wholesale, and Off-Site Sales Licenses
- Automotive Dismantler and Parts Recycler License, and Buyer's ID (BID) Cards
- Rebuilt (Salvage) Vehicle Inspections
- Manufactured Home Titles and Cancellations

Entity Registration and Processing Services Division

Anne Glenn, Director

Theodora Davis, Assistant Director

Rm. 1103, GPB, 334-242-1820

Entity Registration - Yolanda Thornton

Montgomery Taxpayer Service Center

2545 Taylor Road, 334-242-1584

Property Tax Division

Will Martin, Director

Jennifer Byrd, Assistant Director

RSA Union Bldg.

100 N. Union St., Suite 980, Montgomery, AL 36104, 334-242-1525

- Property Tax
- Real Property Valuation
- Personal Property Valuation
- Motor Vehicle Valuation
- Public Utility Assessments
- Freight Line and Equipment Tax
- Land Sales

Sales and Use Tax Division

Randall A. Winkler, Director

Wayne Harkins, Assistant Director

Rm. 4303, GPB, 334-242-1490

- Sales and Use Taxes
- Rental/Leasing Tax
- Transient Occupancy Tax
- Casual Sales Tax
- City and County Sales, Use, Rental/Leasing, and Transient Occupancy Taxes
- Utility Taxes
- Mobile Communications Tax
- TVA Tax
- Contractors Gross Receipts Tax
- Hospital Assessment for Medicaid
- Nursing Facilities Tax
- Pharmaceutical Providers Tax
- Dry Cleaning Environmental Response Trust Fund Fee
- Prepaid Wireless 9-1-1 Charge
- Simplified Sellers Use Tax Remittance Program

Tax Policy and Governmental Affairs

Kelley Gillikin, Director

Rm. 4131, GPB, 334-242-1380

- Legislative Affairs
- Revenue Rulings
- Rule Making
- Policy and Forecasting Analysis
- Communications
- Training
- Recruitment and Internship Program
- Voluntary Disclosure Program
- Nexus Discovery

Taxpayer Service Centers

AUBURN/OPELIKA

3300 Skyway Drive
Auburn, AL 36830
Phone 334-887-9549

Mailing Address

3320 Skyway Dr., Ste. 808
Opelika, AL 36801

JEFFERSON/SHELBY

2020 Valleydale Road, Suite 208
Hoover, AL 35244
Phone 205-733-2740

Mailing Address

PO Box 1927
Pelham, AL 35124-1927

DOTHAN

121 Adris Place
Dothan, AL 36303
Phone 334-793-5803

Mailing Address

PO Box 5739
Dothan, AL 36302-5739

GADSDEN

701 Forrest Avenue
Gadsden, AL 35901
Phone 256-547-0554

Mailing Address

PO Drawer 1190
Gadsden, AL 35902-1190

HUNTSVILLE

4920 Corporate Dr., Suite H
Huntsville, AL 35805
Phone 256-837-2319

Mailing Address

PO Box 11487
Huntsville, AL 35814-1487

MOBILE

851 East I-65 Service Road South
Suite 100
Mobile, AL 36606
Phone 251-344-4737

Mailing Address

PO Drawer 160406
Mobile, AL 36616-1406

MONTGOMERY

2545 Taylor Road
Montgomery, AL 36117
Phone 334-242-2677

Mailing Address

PO Box 327490
Montgomery, AL 36132-7490

SHOALS

201 South Court Street, Suite 200
Florence, AL 35630
Phone 256-383-4631

Mailing Address

PO Box 219
Florence, AL 35631-0219

TUSCALOOSA

1434 22nd Avenue
Tuscaloosa, AL 35401
Phone 205-759-2571

Mailing Address

PO Box 2467
Tuscaloosa, AL 35403-2467

Tax Information

Alabama Accountability Act

Authority

Sections 16-6D-1 through 16-6D-9, Code of Alabama 1975.

Basis

Parents of students enrolled in or assigned to attend a failing public K-12 school who transfer to a non-failing public school or nonpublic school in Alabama will be issued an income tax credit.

Rate

Income tax credit for parents of students enrolled in or assigned to attend a failing public K-12 school in Alabama is limited to the lesser of (1) actual costs incurred to transfer a student to a non-failing public school or nonpublic school, or (2) 80% of the annual state cost of attendance for a public K-12 student during the applicable tax year. The student must transfer to a non-failing public school or nonpublic school in order for the parents to be eligible to claim an income tax credit.

Credit for individuals/married couples filing jointly and corporate taxpayers making contributions to Scholarship Granting Organizations (SGOs) that provide education scholarships to qualifying schools is equal to the total contribution to the scholarship organization up to 50% of the tax liability but limited to \$50,000 per individual taxpayer/couple. Tax credit claimed by a corporate taxpayer is equal to 100% of total contributions to the scholarship organization up to 50% of the tax liability; the cumulative amount of the tax credit for contributions to SGOs will not exceed \$30 million per calendar year. The tax credits for both individuals/married couples filing jointly and corporate taxpayers can be carried forward for three years.

Payment

For tax years beginning on or after January 1, 2013, any Alabama income tax credit due a parent of a student enrolled in/assigned to attend a failing school will be issued upon his/her making an application as prescribed by the Department of Revenue. An application for the tax credit will be filed with the department within the time prescribed for filing petitions for refund.

501(c)(3) organizations wishing to become SGOs must apply to the Department of Revenue using a form available on the department's website. The department will make available an electronic system for donors to enter donations to SGOs made during the year. In order to receive a portion of the available \$30 million in scholarship tax credits for a given year, donors must enter the actual scholarship donations and identifying information of the SGO to which the donation was made. Credits will be assigned to donors on a first-come, first-served basis. The allocation of a portion of the available tax credit amount to the donor is

conditional, pending verification of the donation by the SGO within 30 days of receipt of the donation.

Distribution

The Commissioner of Revenue will annually certify to the comptroller the amount of income tax credits due to parents, and the comptroller will transfer into the Failing Schools Income Tax Credit Account only the amount of sales tax revenues sufficient for the Department of Revenue to use to cover the income tax credits for the applicable tax year. The Commissioner of Revenue will annually distribute the funds in the account to the parents.

Alabama Uniform Natural Minerals 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 primary purpose of this levy 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; minerals that are sold to a purchaser for use outside the state provided such minerals are not transported on public roads in Alabama; materials severed by an operator or producer and moved from one place to another on the same site, or transported to another site owned by the same operator; severed materials used for fill; and chert. Beginning October 1, 2012, a producer who severs materials and sells it to the first purchaser without the materials being transported on a public road shall be exempt from tax, provided that the materials will later be processed into a finished aggregate or limestone product for resale. In this instance, the tax shall be levied on the finished aggregate or limestone product made from the exempt material and shall be remitted by the first purchaser. Additional exemptions effective October 1, 2012: Severed material that is wasted by any manufacturing process provided the material is not transported on a public road in this state and is not sold to another entity; and direct purchases by the federal government and state of Alabama, along with their agencies and political subdivisions, including municipalities, counties, and city and county school boards.

The tax is not operative in Coosa County. (See Local Solid Mineral Taxes.) Geneva, Lamar, Lee, and Wilcox counties elected to opt out, and may establish their own levies.

Payment

Tax is collected at sale or delivery by producer from the purchaser; or, effective October 1, 2012, upon receipt and processing by the purchaser, and remitted to the Alabama Department of Revenue, Business and License Tax Division, Severance and License Section, not later than the 20th day of the month following the month of transaction.

Distribution

To counties where material is 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 - \$.05 per 12 fluid ounces or fraction thereof.

Local beer - \$.01625 per 4 fluid ounces or fraction thereof.

Liquors and fortified wines - 56% of cost marked up price.

Table wine containing not more than 16.5% alcohol by volume - \$.45 per liter (state - \$.38; local - \$.07).

Table wine containing more than 16.5% alcohol by volume - \$2.42 per liter.

Annual license and rates are based on activity and, in the case of some application fees, on 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 (ABC).

Beer excise taxes are paid by wholesaler based on receipts.

Taxes on liquor and wine sold through ABC 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 Dismantler and Parts Recycler License

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. Each person holding an automotive dismantler and parts recycler license, or their agents or employees, must have a buyer's identification card in order to purchase vehicles from salvage pools or salvage disposal sales.

Rate

License \$225 annually.

Buyer's Identification Card \$10 annually. Limited to three per licensee per year.

Payment

Applications are electronically filed with the Alabama Department of Revenue, Motor Vehicle Division. Licenses are valid from October 1 to September 30 of each year. If renewing the license, payment is delinquent on November 1 and a penalty of 15% of the amount of the license plus interest is assessed.

Distribution

General Fund.

Aviation Fuel Tax

Authority

Sections 40-17-325(a)(3), 40-17-326, and 40-17-360, Code of Alabama 1975.

Basis

Fuel used to propel powered aircraft. Tax is imposed upon the withdrawal from the terminal, upon import, or when the product is blended.

Rate

Aviation gasoline - \$.095 per gallon.

Jet fuel - \$.035 per gallon.

Exemptions/Refunds:

Section 40-17-329 exempts the following:

- 1) Having first paid the tax owed under Section 40-17-325, an exporter shall have the right to apply to the department on a monthly basis for a refund of the taxes paid to this state on the gallons of motor fuel that are ultimately exported by the exporter. The department will require the exporter to provide proof of payment of the applicable destination state excise taxes before issuing a refund.
- 2) Having first paid the taxed owed under Section 40-17-325, a licensed aviation

fuel purchaser shall have the right to apply to the department on a monthly basis for a refund of the taxes paid to this state on the gallons of jet fuel sold to a certificated or licensed air carrier that purchases jet fuel within this state and uses the jet fuel to propel aircraft powered by jet or turbine engines operated in scheduled all-cargo operations being conducted on international flights or in international commerce.

- 3) Having first paid the tax to its vendor, the entities listed below shall have the right to apply to the department for a refund on a quarterly basis for any purchases of motor fuel. (Note: These entities that have a Motor Fuel Exemption License may purchase tax-free from a licensed distributor.)
 - a) The United States government or any agency thereof.
 - b) Any county governing body of this state.
 - c) Any incorporated municipal governing body of this state.
 - d) City and county boards of education of this state.
 - e) The Alabama Institute for Deaf and Blind, the Department of Youth Services school district, and private and church school systems as defined in Section 16-28-1, and which offer essentially the same curriculum as offered in grades K-12 in the public schools of this state.
- 4) Having first paid the tax, a licensed air carrier with a hub operation within this state shall have the right to apply to the department for a refund on a quarterly basis for any purchases of jet fuel used to propel aircraft.

Payment

Paid by the 20th of the month following the month of transaction to the Alabama Department of Revenue, Business and License Tax Division, Motor Fuels Section. Tax is due on imports acquired at an out-of-state terminal from a supplier who has not pre-collected the tax, on or before the third business day following import using 3-Day Voucher.

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 in the county in which the business, profession, or occupation is conducted.

Other

Businesses, vocations, and occupations may also be subject to various additional county and municipal licensing requirements which vary by location. Municipal licenses are issued and administered by the municipalities or other designated agent.

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:

<u>At Least</u>	<u>But Less Than</u>	<u>The Tax Rate Shall Be</u>
	\$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

for corporations.

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. Payment is due by the unextended due date of the entity's corresponding federal return, except for those filing as a financial institution or financial institution group. Calendar year C-corporations, payment would be due April 15. Calendar year S-Corporations, payment would be due March 15. Financial institutions and financial institution groups must remit payment by April 15.

Returns are due for each of these entities by the unextended due dates. However, federal extended due dates will be recognized for the filing of returns for all entities except for those filing as a financial institution or financial institution group. Financial institutions and financial institution groups should file an extended Business Privilege Tax return by the due date provided for filing their Financial Institution Excise Tax return (Form ET-1 or ET-1C), either July 15 or October 15. Payments and returns for disregarded entities are due not later than the time its owner is required to file.

The initial return, Form BPT-IN, and tax are due two and one-half months after organization, incorporation, registration, qualification, or beginning to do business, whichever occurs first.

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

Section 10A-1-4.31, Code of Alabama 1975.

Basis

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

Rate

\$150 for domestic entity; \$100 for state of Alabama; \$50 for judge of probate.
\$150 for foreign entity; \$150 for state of Alabama.

Payment

Paid one time to the judge of probate of the county in which business is incorporated or to the Secretary of State. Separate checks should be prepared when appropriate: one payable to the state of Alabama covering all charges for the Secretary of State; one payable to the judge of probate for all charges for the judge of probate.

Distribution

Domestic Entities:

\$100 – Secretary of State Entity Fund 30%; General Fund 70%.

\$50 – Judge of probate of the county in which the business is incorporated.

Foreign Entities:

\$150 – Secretary of State Entity Fund 30%; General Fund 70%.

Coal Severance Tax

Authority

Sections 40-13-1 through 40-13-10, 40-13-30 through 40-13-36, 40-13-80 through 40-13-83, Code of Alabama 1975.

Basis

Severing coal within state.

Rate

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

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

\$.025 per ton levied on underground mining.* Expired on August 1, 2019

\$.05 per ton levied on surface mining.* Expired on August 1, 2019

*Levied on a maximum of 2 million tons. Expired on August 1, 2019.

Payment

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

Distribution

Sections 40-13-5 and 40-13-6.

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.

For the 2013-2014 fiscal year and for all fiscal years thereafter, monies remaining after payment of servicing the State Dock's bonds, or any anticipated deficiencies in operating the docks shall be distributed as follows:

\$300,000 - Alabama Mining Academy.

60% transferred by Department of Revenue to the general fund of the county of

severance based on the ratio of the \$.135 per ton coal severance tax collections from within the county to the total coal severance tax collections, except those sent to the Walker County Economic and Industrial Development Authority. Provided, however, the distribution to the Jefferson County General Fund shall be \$500,000.

In addition:

\$100,000	Community Development Foundation, Inc.
\$50,000	Marion County Community Development Association, Inc.
\$50,000	West Alabama Development Association of Fayette County
\$100,000	West Alabama Economic Development Association
\$100,000	Winston County General Fund
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.

Section 40-13-82, Code of Alabama 1975.

Collections from the additional tax levies, which expired on August 1, 2019, were distributed to the Surface Mining Commission.

Compressed Natural Gas (CNG)/Liquefied Natural Gas (LNG)

Authority

Sections 40-17-168 through 40-17-168.19, Code of Alabama 1975.

Basis

Effective October 1, 2018, all public sellers and fleet producers of CNG/LNG are required to collect and remit a per gasoline gallon equivalent (GGE) excise tax on CNG and a per diesel gallon equivalent (DGE) excise tax on LNG based upon product sold or disbursed for use in a vehicle designed to be operated on the public roads and highways.

Effective January 1, 2019, all personal producers of CNG must submit an annual application fee by January 20 each year based upon the date of purchase of the CNG powered vehicle(s) or the date of conversion of a vehicle to a CNG powered vehicle. The amount of the fee due is based upon the date of purchase of the vehicle or the date of conversion/installation and is as follows:

\$100	January 1 - June 30 (Rate for full year)
\$50	July 1 - September 30 (Reduced rate only for first year of purchase)
\$25	October 1 - December 31 (Reduced rate only for first year of purchase)

Rate

\$.08 per gasoline gallon equivalent (GGE) excise tax on CNG and an \$.08 per diesel gallon equivalent (DGE) excise tax on LNG – effective October 1, 2018.

Effective October 1, 2023, the rate will increase to \$.13 per GGE or DGE.

Effective October 1, 2028, the rate on CNG will increase to the combined gasoline excise tax rates as prescribed by Section 40-17-168.2, Code of Alabama 1975, per GGE and the rate on LNG will increase to the combined diesel fuel excise tax rates as prescribed by Section 40-17-168.2, Code of Alabama 1975, per DGE.

Exemption

A licensed public seller or licensed fleet producer may deduct the number of gallons of CNG or LNG sold or disbursed to the entities listed below provided that the exempt entity has a valid exempt entity license issued in accordance with Section 40-17-332(j).

- 1) The United States Government or any agency thereof.
- 2) County governing body in this state.
- 3) Governing body of any incorporated municipality in this state.
- 4) City and county boards of education in this state.
- 5) Alabama Institute for Deaf and Blind, Department of Youth Services school district, and private and church school systems as defined in Section 16-28-1, which offer essentially the same curriculum as offered in grades K -12 in the public schools of this state.

Payment

File and remit to the Alabama Department of Revenue, Business and License Tax Division, Motor Fuels Section, by 20th of month following month of activity.

Distribution

Net collections distributed to Department of Transportation.

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 and Use 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.

For tax years beginning on or after January 1, 2011, Alabama income is determined by a four-factor apportionment formula (property, payroll, and twice the sales factor).

Constitutional Provisions

Amendment No. 212 to the Constitution of Alabama of 1901 (proclaimed ratified December 18, 1963) increased the 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.

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

For corporations on a calendar year, the due date for the return and payment is the 15th day of the fourth month after year-end.

For corporations on a fiscal year other than a calendar year and June 30 year end, the due date for the return and payment is the 15th day of the fourth month following the end of the corporation's fiscal year.

For corporations with a fiscal year ending on June 30, the due date for the return and payment is the 15th day of the third month following the end of the fiscal year. Federal extended due dates will be recognized for the return, but not for any payment due.

Corporations with an anticipated tax liability of \$500 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 corporations: Any corporation (except financial institutions) 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 PTE-C. 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-1 through 22-30D-12, 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 re-mediating 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 on or before April 19, annually, to the Alabama Department of Revenue, Sales and Use Tax Division. Payments due in one-fourth increments 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 April 1, becoming delinquent on the 20th day of April.

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 December 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 Institution Excise Tax

Authority

Sections 40-16-1 through 40-16-11, Code of Alabama 1975.

Basis

Excise tax measured by net income of a bank, banking association, trust company, credit card company, building and loan association, industrial or other loan company doing business in Alabama. The Financial Institution Excise tax laws were substantially modified by the enactment of the Financial Institution Reform Act of 2019. This act provides clarity, simplicity, and administrative ease for taxpayers and the department. The act is operative for tax years beginning after Dec. 31, 2019, with limited exceptions.

Rate

6.5% of taxable income.

Payment

File Form ET-1 with the Alabama Department of Revenue, Individual and Corporate Tax Section, by April 15. Financial Institutions with an anticipated tax liability of \$500 or more are required to pay estimates on a quarterly basis by April 15. 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.

Distribution

50% – General Fund

16.7% – Counties

33.3% – Municipalities

Beginning with the 2019 municipal financial institution excise tax distribution, each municipality shall receive a percentage share of the total municipal financial institution excise tax revenue equal to its average percentage share of the total municipal financial institution revenue distribution over the five years ending in 2018.

The first 20% of total county financial institution excise tax revenue shall be distributed equally among all counties. The remaining 80% county financial institution excise tax revenue shall be distributed among the counties based on each county's share of total Alabama population as determined in the most recent federal census prior to the distribution.

Forest Products Severance Tax

Authority

Sections 9-13-80 through 9-13-110, Code of Alabama 1975.

Basis

Owning timber prior to severance and severing timber or other forest products for sale, profit, or commercial use.

Rate

Effective July 1, 2017

Pine Logs received by a concentration yard, manufacturer, or processor	\$.10/ton
Pine Logs exported out-of-state	\$.10/ton
Logs-All Other Species received by a concentration yard, manufacturer, or processor	\$.065/ton
Logs-All Other Species exported out-of-state	\$.065/ton
Pulpwood received by a concentration yard, manufacturer, or processor	\$.10/ton
Pulpwood exported out-of-state	\$.10/ton

Stump wood received by a manufacturer	\$.125/ton
Stump wood exported out-of-state	\$.125/ton
Poles/Pilings received by a concentration yard or manufacturer	\$.205/ton
Poles/Pilings exported out-of-state	\$.205/ton
Inwoods Pulpwood Chips received by a concentration yard or manufacturer	\$.10/ton
Inwoods Pulpwood Chips exported out-of-state	\$.10/ton

There is also a privilege tax of 50% of the severance tax above, against manufacturers using forest products in the manufacturing process. This tax applies to manufacturers located only within this state.

Payment

File with the Alabama Department of Revenue, Business and License 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 and Equipment Tax

Authority

Section 40-21-52, Code of Alabama 1975, as limited by the Federal 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

3.5% of 30% of the market value of the number of cars within the state during the preceding fiscal year.

Payment

File returns with the Alabama Department of Revenue, Property Tax Division, Utilities Section, using the My Alabama Taxes (MAT) system 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 Diesel Fuel Taxes

Authority

Sections 40-17-320 through 40-17-363, 4-17-370 and 40-17-371, Code of Alabama 1975

Basis

Gasoline and diesel fuel sold at the terminal rack, imported into Alabama, or blended with a motor fuel product.

Rate

Gasoline: \$.26 per gallon effective October 1, 2020, Sections 40-17-325(a)(1) and 40-17-370 (comprised of \$.07, \$.05, \$.06 and \$.08 levies).

Diesel Fuel: \$.27 per gallon effective October 1, 2020, Sections 40-17-325(a)(2) and 40-17-370 (comprised of \$.13, \$.06, and \$.08 levies).

Exemption

Section 40-17-329 exempts the following:

- 1) All motor fuel exported from this state for which proof of export is available in the form of a terminal issued destination state shipping document that is (a) exported by a supplier who is licensed in the destination state or (b) is sold by a supplier to a licensed exporter for immediate export to a state for which the applicable destination state motor fuel excise tax has been collected by the supplier who is licensed to remit the tax to the destination state. This exemption shall not apply to any motor fuel which is transported and delivered outside this state in the motor fuel supply tank of a highway vehicle.
- 2) All K-1 Kerosene or aviation jet fuel that is produced at a refinery in this state and is either exported from this state directly by the operator of that refinery or is sold for immediate export by the operator to a licensed exporter. In either case proof of export is to be available in the form of a terminal destination state shipping document and in addition all relevant sales documents are to reference the product known as “K-1 Kerosene” or “aviation jet fuel” as applicable.
- 3) All sales of dyed diesel fuel.
- 4) Gasoline blendstocks or cellulosic biofuel when sold to (a) a licensed supplier or (b) a person who will not be using the blendstocks or cellulosic biofuel in the manufacture of gasoline or as a motor fuel, as evidenced by the exemption certificate prescribed under regulations promulgated under Section 4081, Title 26 of the United States Code.
- 5) All motor fuel sold by a licensed supplier or licensed permissive supplier to an exempt agency electing to be licensed under Section 40-17-332.
- 6) Motor fuel that is delivered by a licensed supplier from one terminal to another terminal when ownership in the motor fuel has not changed, or by a licensed supplier from a terminal to a refinery operated by the licensed supplier.

- 7) Having first paid the tax owed under Section 40-17-325, a licensed aviation fuel purchaser shall have the right to apply to the department on a monthly basis for a refund of the taxes paid to the state of Alabama on the gallons of jet fuel sold to a certificated or licensed air carrier that purchases jet fuel within Alabama and uses the jet fuel to propel aircraft powered by jet or turbine engines operated in scheduled all-cargo operations being conducted on international flights or in international commerce.
- 8) Having first paid the tax to its vendor, the entities listed below shall have the right to apply to the department for a refund on a quarterly basis for any purchases of motor fuel. (Note: These entities that have a Motor Fuel Exemption License may purchase tax-free from a licensed distributor or through a credit card issuer.)
 - a) The United States government or any agency thereof.
 - b) Any county governing body of this state.
 - c) Any incorporated municipal governing body of this state.
 - d) City and county boards of education of this state.
 - e) The Alabama Institute for Deaf and Blind, the Department of Youth Services' school district, and private and church school systems as defined in Section 16-28-1, and which offer essentially the same curriculum as offered in grades K-12 in the public schools of this state.
- 9) Having first paid the tax owed under Section 40-17-325, an exporter shall have the right to apply to the department on a monthly basis for a refund of the taxes paid to this state on the gallons of motor fuel that are ultimately exported by the exporter. The department will require the exporter to provide proof of payment of the applicable destination state excise taxes before issuing a refund.

Certain counties and cities levy additional gasoline and diesel fuels taxes ranging from \$.005 to \$.09 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, Business and License Tax Division, Motor Fuels Section. Tax is due on imports acquired at an out-of-state terminal from a supplier who has not pre-collected the tax, on or before the third business day following import using 3-Day Voucher.

Distribution

Gasoline:

1.23% of the \$.07 and \$0.05 levies, hereinafter referred to as the \$.12 levy, go 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 2/3 of the \$.06 gasoline levy are distributed as follows:

- 1) 45% to the State Road and 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 are distributed equally to the 67 counties;
 - b) 30% of the net tax proceeds are 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.

1/3 of the \$.06 gasoline levy is distributed to the Inspection Fee Fund which is further distributed by the State Treasurer as follows:

- 1) 5% or no less than \$175,000, whichever is greater, to the Agricultural Fund.
 - a) 13.87% of balance of proceeds distributed equally to the counties.
 - b) \$408,981 distributed to Department of Transportation Public Road and Bridge Fund.
 - c) 2.76% of balance of proceeds allocated among the incorporated municipalities.
 - d) 5% of balance of proceeds after distributions to (a) and (c) is distributed to Agricultural Fund.
 - e) 2 1/2% of balance of proceeds after (a), (b), (c), and (d) or no less than \$87,500, whichever is greater, is distributed to the Department of Revenue.
 - f) Balance after (a), (b), (c), (d), and (e) is distributed to the Department of Transportation Public Road and Bridge Fund, as provided in Section 8-17-91, Code of Alabama, 1975.

Rebuild Alabama Act - Section 40-17-371, Code of Alabama 1975.

\$.08 levy effective October 1, 2020

0.25% Alabama Department of Revenue (Administrative Fee)

\$750,000 Alabama Hwy Finance Corporation (State Docks)

66.67% Department of Transportation (Rebuild Alabama Fund)

25% Counties

45% Counties equally

55% Counties population ratio

8.33% Cities

25% Cities equally

75% Cities population ratio

Motor Fuels:

The \$.13 and \$.06 levies are distributed as follows:

- 1) \$.13 to Department of Transportation

2) \$.06 as follows:

- a) .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.
- b) 4.69% distributed equally among each of the 67 counties of the state monthly.
- c) Balance paid to the State Treasury to be used for highway purposes by the State Department of Transportation.

Rebuild Alabama Act - Section 40-17-371, Code of Alabama 1975.

\$.08 Levy Effective October 1, 2020

0.25% Alabama Department of Revenue (Administrative Fee)

\$230,000 Alabama Hwy Finance Corporation (State Docks)

66.67% Department of Transportation (Rebuild Alabama Fund)

25% Counties

45% Counties equally

55% Counties population ratio

8.33% Cities

25% Cities equally

75% Cities population ratio

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:

\$5.50 per ton: waste listed under Section 3001 of the Resource Conservation and Recovery Act of 1976 (RCRA) as amended and "PCB" waste.

\$5.50 per ton: all other waste.

\$1 per ton: additional fee on all wastes or substances.

In addition to the above fees, Sumter County also levies \$2 per drum or \$5 per ton on waste disposed of at the Emelle disposal facility.

Payment

State Fee – File and remit to the Alabama Department of Revenue, Business and License Tax Division, Severance and License 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.

Distribution

\$5.50 per ton RCRA/PCB base fee - Both \$5.50 rates will be used to meet the annual guarantee amount of \$4.2 million to the county. After the \$4.2 million is met, any remaining amounts are to be split 50/50 between the General Fund and the county.

\$5.50 per ton all other waste - Both \$5.50 rates will be used to meet the annual guarantee amount of \$4.2 million to the county. After the \$4.2 million is met, any remaining amounts are to be split 50/50 between the General Fund and the county.

\$1 per ton - All to Alabama Hazardous Substance Cleanup Fund.

Hospital Assessment for Medicaid Tax

Authority

Sections 40-26B-70 through 40-26B-88, Code of Alabama 1975.

Basis

Privately operated hospitals in the state of Alabama that are funded through the Alabama Medicaid program are taxed according to their net patient revenue. The assessment is a cost of doing business as a privately-operated hospital in the state of Alabama.

Rate

5.5% of the net patient revenue in fiscal year 2014. Effective October 1, 2020, the rate increases to 6.0% of the net patient revenue in fiscal year 2017.

Payment

Assessment amounts are to be paid in equal quarterly installments by the 15th working day of each quarter of the state's fiscal year. This program was extended by Act No. 2018-542 through fiscal year 2022. Remit fees to the Alabama Department of Revenue, Sales and Use Tax Division through Alabama Interactive.

Distribution

Alabama Medicaid Agency.

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

Due in ¼ increments October 1, January 1, April 1, and July 1 on power sold during

prior calendar year. File Form FT: 5-24 annually with the Alabama Department of Revenue, Sales and Use Tax Division by September 25.

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

Cost Per Stamp

Grams	Marijuana	Controlled Substance by Weight
1	\$ 3.50	\$ 200
5	\$17.50	\$1,000
10	\$35.00	\$2,000
20	\$70.00	\$4,000

Cost Per Stamp

Dosage Units	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.

2545 Taylor Road

Montgomery, AL 36117

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 and dependent exemption granted under Section 40-18-19.

Rate

Persons claiming single or zero exemption: 2% on first \$500 of taxable wages, 4% on next \$2,500, 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 and that earned from Alabama sources by non-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

Taxpayers that reasonably expect to owe \$500 or more shall file and pay estimated tax quarterly and must remit one-fourth of the estimated amount due on the 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.

Head of Family			Single		
<u>Alabama AGI</u>		<u>Standard Deduction</u>	<u>Alabama AGI</u>		<u>Standard Deduction</u>
\$0	\$23,499	\$4,700	\$0	\$23,499	\$2,500
\$23,500	\$23,999	\$4,565	\$23,500	\$23,999	\$2,475
\$24,000	\$24,499	\$4,430	\$24,000	\$24,499	\$2,450
\$24,500	\$24,999	\$4,295	\$24,500	\$24,999	\$2,425
\$25,000	\$25,499	\$4,160	\$25,000	\$25,499	\$2,400
\$25,500	\$25,999	\$4,025	\$25,500	\$25,999	\$2,375
\$26,000	\$26,499	\$3,890	\$26,000	\$26,499	\$2,350
\$26,500	\$26,999	\$3,755	\$26,500	\$26,999	\$2,325
\$27,000	\$27,499	\$3,620	\$27,000	\$27,499	\$2,300
\$27,500	\$27,999	\$3,485	\$27,500	\$27,999	\$2,275
\$28,000	\$28,499	\$3,350	\$28,000	\$28,499	\$2,250
\$28,500	\$28,999	\$3,215	\$28,500	\$28,999	\$2,225
\$29,000	\$29,499	\$3,080	\$29,000	\$29,499	\$2,200
\$29,500	\$29,999	\$2,945	\$29,500	\$29,999	\$2,175
\$30,000	\$30,499	\$2,810	\$30,000	\$30,499	\$2,150
\$30,500	\$30,999	\$2,675	\$30,500	\$30,999	\$2,125
\$31,000	\$31,499	\$2,540	\$31,000	\$31,499	\$2,100
\$31,500	\$31,999	\$2,405	\$31,500	\$31,999	\$2,075
\$32,000	\$32,499	\$2,270	\$32,000	\$32,499	\$2,050
\$32,500	\$32,999	\$2,135	\$32,500	\$32,999	\$2,025
\$33,000 and over		\$2,000	\$33,000 and over		\$2,000

Married Filing Joint**Married Filing Separate**

<u>Alabama AGI</u>		<u>Standard Deduction</u>	<u>Alabama AGI</u>		<u>Standard Deduction</u>
\$0	\$23,499	\$7,500	\$0	\$10,749	\$3,750
\$23,500	\$23,999	\$7,325	\$10,750	\$10,999	\$3,662
\$24,000	\$24,499	\$7,150	\$11,000	\$11,249	\$3,574
\$24,500	\$24,999	\$6,975	\$11,250	\$11,499	\$3,486
\$25,000	\$25,499	\$6,800	\$11,500	\$11,749	\$3,398
\$25,500	\$25,999	\$6,625	\$11,750	\$11,999	\$3,310
\$26,000	\$26,499	\$6,450	\$12,000	\$12,249	\$3,222
\$26,500	\$26,999	\$6,275	\$12,250	\$12,499	\$3,134
\$27,000	\$27,499	\$6,100	\$12,500	\$12,749	\$3,046
\$27,500	\$27,999	\$5,925	\$12,750	\$12,999	\$2,958
\$28,000	\$28,499	\$5,750	\$13,000	\$13,249	\$2,870
\$28,500	\$28,999	\$5,575	\$13,250	\$13,499	\$2,782
\$29,000	\$29,499	\$5,400	\$13,500	\$13,749	\$2,694
\$29,500	\$29,999	\$5,225	\$13,750	\$13,999	\$2,606
\$30,000	\$30,499	\$5,050	\$14,000	\$14,249	\$2,518
\$30,500	\$30,999	\$4,875	\$14,250	\$14,499	\$2,430
\$31,000	\$31,499	\$4,700	\$14,500	\$14,749	\$2,342
\$31,500	\$31,999	\$4,525	\$14,750	\$14,999	\$2,254
\$32,000	\$32,499	\$4,350	\$15,000	\$15,249	\$2,166
\$32,500	\$32,999	\$4,175	\$15,250	\$15,499	\$2,078
\$33,000 and over		\$4,000	\$15,500 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.

Inspection Fee**Authority**

Sections 8-17-80 through 8-17-102, Code of Alabama 1975.

Basis

First sale or import of dyed diesel fuel, dyed kerosene, or lubricating oil in Alabama. Gasoline or undyed diesel sold by a supplier or permissive supplier at the rack to a licensed exempt entity other than the federal government, or dyed diesel or dyed kerosene sold to an importer that does not have a valid inspection fee permit.

Rate

Section 8-17-87

Dyed diesel fuel - \$.02 per gallon.

Dyed kerosene - \$.01 per gallon.

Lubricating oil - \$.15 per gallon.

Gasoline or undyed diesel fuel sold by a supplier at the rack to a licensed exempt entity other than the federal government - \$.02 per gallon.

Dyed diesel fuel or dyed kerosene used to operate maritime vessels, tractors for agricultural purposes, or railroad locomotives, or used in the treatment or preservation of wood products - \$.00025 per gallon.

Exemption

Section 8-17-87

Aviation gas and jet fuel

Section 8-17-99

Dyed Diesel Fuel or Dyed Kerosene

Federal Government

Exports by bonded distributor

Sales to other bonded distributors

Sales for use in turbines or steam boilers

Lubricating Oil

Federal Government

Exports by bonded distributor

Sales to other bonded distributors

Distribution

Distributed to the Inspection Fee Fund which is further distributed by the State Treasurer as follows:

5% or no less than \$175,000, whichever is greater, to the Agricultural Fund.

- a) 13.87% of balance of proceeds distributed equally to the counties.
- b) \$408,981 distributed to Department of Transportation Public Road and Bridge Fund.
- c) 2.76% of balance of proceeds allocated among the incorporated municipalities.
- d) 5% of balance of proceeds after distributions to (a) and (c) is distributed to Agricultural Fund.
- e) 2 1/2% of balance of proceeds after (a), (b), (c), and (d) or no less than \$87,500, whichever is greater, is distributed to the Department of Revenue.
- f) Balance after (a), (b), (c), (d), and (e) is distributed to the Department of Transportation Public Road and Bridge Fund, as provided in Section 8-17-91.

International Fuel Tax Agreement (IFTA)

Authority

Sections 40-17-150 and 40-17-270 through 40-17-275, Code of Alabama 1975.

Basis

Motor carriers operating in interstate commerce with a qualified motor vehicle. A qualified motor vehicle is one which has two axles and a gross vehicle weight or registered gross vehicle weight exceeding 26,000 pounds, has three or more axles regardless of weight, and is used in combination, when the weight of the combination exceeds 26,000 pounds 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 an IFTA license and identification decals. The fee for the decals is \$17.00 per set.

Excise tax upon motor fuels used in the operation of a motor carrier in Alabama shall be at the same rate per gallon as provided in Section 40-17-325.

Payment

Every motor carrier must electronically file IFTA quarterly tax returns with the Alabama Department of Revenue, Motor Vehicle Division, before the last day of April, July, October, and January. Payments of \$750 or more must be remitted electronically.

Distribution

That portion of revenues attributable to gasoline taxes shall be distributed in the manner prescribed for gasoline taxes levied under Section 40-17-359.

That portion of revenues attributable to motor fuel (diesel) taxes shall be distributed in the manner prescribed for motor fuel (diesel) taxes levied under Section 40-17-361.

(See Gasoline and Diesel Fuel Taxes)

International Registration Plan (IRP)

Authority

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

Basis

Motor carriers operating in interstate commerce with a qualified motor vehicle. A qualified motor vehicle is one which has two axles and a gross vehicle weight or registered gross vehicle weight exceeding 26,000 pounds; or has three or more axles regardless of weight; or is used in combination, when the weight of the combination exceeds 26,000 pounds gross vehicle or registered gross vehicle

weight. Registrants are issued an apportioned license plate and a cab card (registration).

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. Alabama fees are apportioned based on the fee schedule provided in Section 40-12-248.

Payment

Registrations are renewed on a staggered basis from January through November through the Alabama Department of Revenue, Motor Vehicle Division. Payments of \$750 or more must be remitted electronically.

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

Local Solid Minerals Taxes

Authority

Coosa County - Section 45-19-244.01, Code of Alabama 1975 and Act 2019-231.
Jackson County - Section 45-36-246, Code of Alabama 1975.
Marshall County - Title 45, Chapter 48, Article 24, Code of Alabama 1975.

Basis

Coosa County levies a tax on sand, clay, silt, loam, dirt, gravel, rock, sand-gravel, and sand-clay and per Act 2019-231, effective May 23, 2019, a \$5 per ton tax on graphite. Jackson and Marshall Counties levy a tax on coal severed within their counties.

Rate

- \$.25 per ton (Coosa County).
- \$5 per ton (Coosa County).
- \$.20 per ton (Jackson and Marshall Counties).

Payment

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

Lubricating Oils Tax

Authority

Sections 40-17-170 through 40-17-186, 40-17-220 through 40-17-223, and 40-17-225, 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 gallon levied under Section 40-17-171.

\$.04 per gallon levied under Section 40-17-220.

\$.06 per gallon total.

(Eight pounds of grease equals one gallon.)

Exemption

The United States Government, governing bodies of counties and incorporated municipalities, city and county boards of education, the Alabama Institute for Deaf and Blind, the Department of Youth Services school district, and private and church schools as defined in Section 16-28-1 are exempt from the \$.02 per gallon tax levied under Section 40-17-171.

Governing bodies of counties and incorporated municipalities, city and county boards of education, the United States Government, sales for use in off-road vehicles, aircraft, ships, vessels, barges, railroad locomotives, and railroad equipment, private and church school systems as defined in Section 16-28-1, Alabama Institute for Deaf and Blind, Department of Youth Services, and lubricating products sold for agricultural purposes are specifically exempt from the \$.04 per gallon tax levied under Section 40-17-220.

Payment

File and remit to the Alabama Department of Revenue, Business and License Tax Division, Motor Fuels Section, by the 20th of the month following the month of transaction.

Distribution

\$ 02 revenues – General Fund.

\$.04 revenues:

45% – State Road and 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.

Mandatory Liability Insurance (MLI)

Authority

Sections 32-7A-1 through 32-7A-7 and Sections 32-7B-1 through 32-7B-7, Code of Alabama 1975.

Basis

No person shall operate, register, or maintain registration of, and no owner shall permit another person to operate, register, or maintain registration of, a motor vehicle designed to be used on a public highway unless the motor vehicle is covered by a liability insurance policy, commercial automobile liability insurance policy, motor vehicle liability bond, or deposit of cash. The insurance policy must provide a minimum of \$25,000 for bodily injury/death liability for one person in an accident, \$50,000 for all injuries/deaths in an accident, and \$25,000 for property damage in an accident in accordance with Section 32-7-6, Code of Alabama 1975. The policy must be an Alabama policy issued by an insurance company qualified to issue motor vehicle liability insurance in Alabama.

Rate

If it is determined that a vehicle was not insured in accordance with the MLI law, the department will suspend the motor vehicle registration. The registration reinstatement fee will be \$200 for the first violation, and the owner will be required to provide proof of current liability insurance. For subsequent violations, the fee will be \$400.

Payment

If a registration reinstatement fee is due from a registrant, as detailed above, the registrant may pay the reinstatement fee directly to the licensing office in the county where the registrant resides.

Distribution

A portion of the fees collected in accordance with the MLI law is used by the department exclusively for the operation and management of the mandatory liability insurance law. 15% of the net proceeds of reinstatement fees received by the department is deposited by the department into the Alabama Peace Officers' Annuity and Benefit Fund, as authorized by Section 36-21-66. After the payment of the expenses, the remaining funds are deposited into the General Fund.

The license plate issuing official, the Administrative Office of Courts, or the circuit clerk of any county will remit the fee, less retained fees, as prescribed by statute, to the department.

Manufactured Home Title and Cancellation Fee

Authority

Sections 32-20-1 through 32-20-48, Code of Alabama 1975.

Basis

Fee required for each unit of a manufactured home designated 2000 model years old and newer. Manufactured homes designated 1999 and prior year models are exempt from titling.

Each application for first certificate of title	\$20*
Each application for transfer of certificate of title	\$20*
Each application for cancellation of a certificate of origin or certificate of title	\$20*
Each application for replacement certificate of title	\$15
Each notice of security interest	\$15
Each assignment by lien holder	\$15
Each title history	\$15
Each application for corrected title	\$15
Each title printout	\$5

Payment

Application and fee forwarded to the Alabama Department of Revenue, Motor Vehicle Division, by designated agents of the department.

Designated agents include all licensing officials in Alabama who are authorized and required by law to issue motor vehicle license plates, licensed manufactured home dealers, and qualifying financial institutions.

Distribution

General Fund.

*\$5 of each fee is designated to go to the nonprofit 501(c)3 foundation known as the Alabama Housing Foundation.

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.

Rate

Owner-occupied:

\$24 single wide (one transportable module).

\$48 double wide (two or more transportable modules).

All others:

\$48 single wide (one transportable module).

\$96 double wide (two or more transportable modules).

Manufactured homes 10 years old 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 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.

Distribution

Registration Fee

State General Fund – 25%

County General Fund – 25%

County School Board – 25% *

City or municipality where the manufactured home is located – 25%.**

* The distribution for manufactured homes located within a city school district is to the city school board.

**The distribution for manufactured homes located outside the corporate limits of cities or municipalities is to the County General Fund.

Issuance Fee

An additional \$5 issuance fee is charged by the issuing official.

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.

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 the 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 Telecommunication Services Tax**Authority**

Sections 40-21-120 through 40-21-126, 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 and Use 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 the actual tax liability 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 9 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, Business and License 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 Fuel Single Point Filing System

Authority

Sections 40-17-380 through 40-17-384, Code of Alabama 1975.

Basis

Tax is calculated on a per gallon basis as determined by the local taxing jurisdiction.

Rate

Local rates vary in accordance with the specific local act or ordinance.

Payment

Return and payment must be submitted electronically by the 20th day of the month following the month of activity.

Exemption

Based upon local laws or ordinances.

Distribution

Revenue is distributed to the local taxing jurisdictions in accordance with Section

40-17-382(b), Code of Alabama 1975.

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 35 model years old or newer and travel trailers designated 20 model years old or newer.

Registrants must have a certificate of title or an application for certificate of title before license plates can be issued.

Rate

Original certificate of title	\$15
Replacement certificate	\$15
Transfer of certificate of title	\$15

Notice of security interest	\$15
Assignment by lien holder	\$15
Title history	\$15
Corrected title	\$15
Salvage title	\$15
Title printout*	\$ 5
Registration printout*	\$ 5
Notice of Junk Cancellation**	\$ 5

Payment

Every designated agent must electronically submit the application for certificate of title to the Alabama Department of Revenue, Motor Vehicle Division. Payment of application fees must also be remitted electronically.

Designated agents are all licensing officials in Alabama who are authorized and required by law to issue motor vehicle license plates, and the following entities, which are legally authorized to do business in Alabama and have a place of business in Alabama: automobile dealers, manufactured home dealers, financial institutions, pawnshops, towing companies and insurance companies. Effective October 1, 2019, a title service provider may act as an agent on behalf of a designated agent.

Distribution

General Fund.

*Distribution designated as follows: 50% to general fund and 50% to motor vehicle training and technology fund.

**Distribution to motor vehicle training and technology fund. In lieu of a per transaction fee, automotive dismantler and parts recyclers and secondary metals recyclers may pay an annual fee of \$500. The annual fee is also distributed to the motor vehicle training and technology fund.

Motor Vehicle Dealer, Rebuilder, Wholesale, Auction, and Off-Site Sales Licenses

Authority

Sections 40-12-390 through 40-12-400, Code of Alabama 1975.

Basis

New Motor Vehicle Dealer – any person which holds a bona fide contract or franchise in this state in effect with a manufacturer or distributor of new motor vehicles and is engaged in the business of selling, advertising or negotiating the sale of new motor vehicles or new and used motor vehicles, to include trailers (except those not subject to titling in this state) and motorcycles. The term also includes a used motor vehicle dealer, motor vehicle rebuilder, and motor vehicle

wholesaler.

Used Motor Vehicle Dealer – any person engaged in the business of buying, selling, exchanging, advertising, or negotiating the sale of five or more motor vehicles not previously titled or registered in the person’s name at retail during a calendar year, to include trailers (except those not subject to tilting in this state) and motorcycles. The term also includes a motor vehicle rebuilder and motor vehicle wholesaler.

Motor Vehicle Rebuilder – any person engaged in the business of making or causing to be made extensive repairs, replacements, or combination of different motor vehicles to the extent of extinguishing the identity of the original vehicle to the extent finished vehicle may be assigned a new identification number by the department. This term also includes refurbishing, repairing, or replacing damaged parts of motor vehicles for the purpose of preparing the vehicle for resale under the same identification and identity as the vehicle had before the refurbishing.

Motor Vehicle Wholesaler – any person, firm, or corporation engaged in the business of buying, selling, or exchanging motor vehicles at wholesale to motor vehicle dealers and not to the public.

Rate

Master dealer license	\$125	
Each additional place of business	\$ 5	
Off-site sales license	\$25	Limited to three per dealer license year.

A privilege license under Sections 40-12-51, 40-12-62, or 40-12-169 is also required for each off-site sale.

Payment

Applications are electronically filed with the Alabama Department of Revenue, Motor Vehicle Division. Licenses are valid from October 1 to September 30 of each year. If renewing the license, payment is delinquent on November 1 and a penalty of 15% of the license fee plus interest is assessed. Off-site sales licenses are only valid for 10 consecutive calendar days.

Distribution

A minimum of \$25 or 10%, whichever is greater of the application fee, shall be appropriated to the General Fund. The remaining amount shall be continuously appropriated to the department for the inspection, issuance and enforcement of the licensing requirements.

Motor Vehicle Registration Fees

Authority

Sections 40-12-240 through 40-12-302 and 32-6-51 through 32-6-680, Code of Alabama 1975.

Basis

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

Rate

Passenger cars and pickup trucks	\$23 to \$105
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 \$890
Motor homes (based on gross wt.)	\$23 to \$890
Commercial trailers	\$20
Travel and utility trailers	\$12
Rental utility trailers	\$15
Permanent trailers	\$60

Payment

Remit to license plate-issuing official in county of residence (if an individual) or where the vehicle is principally used (if a business). Fees can be remitted to participating city license plate issuing officials for Jefferson County residents only.

Registration is staggered based on the first letter of the individual's last name:

January: A, D	May: H, O	September: Q, S, T
February: B	June: M, I	October: U, V, W, X,
March: C, E	July: P, L	Y, Z
April: F, G, N	August: J, K, R	

Trucks and commercial and fleet vehicles will be registered during October and November of each year.

Distribution

\$10 of the fee for passenger automobiles and pickup trucks and \$8 of the fee for motorcycles are distributed to the state's general fund for use by the Alabama Law Enforcement Agency for enforcing traffic and motor vehicle laws.

The remaining balance is distributed as follows:

Base Amount:

72%	Public Road and Bridge Fund
21%	City or County of Residence
7%	Cities and Counties

Additional Amount: (For trucks)

64.75% Public Road and Bridge Fund

35.25% Counties

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

A privilege assessment annual rate of \$2,227.44 per year for each bed in the facility, an annual supplemental rate of \$1,603.08 for each bed in the facility, an annual surcharge of \$525.00 for each bed in the facility, and an annual secondary supplemental rate of \$401.28 for each bed in the facility. The current supplemental privilege assessment, surcharge, and secondary supplemental on nursing facilities extends to August 31, 2022. The annual total rate for each bed in the facility is \$4,756.80 or \$396.40 per month per bed.

Payment

File return and remit monthly installment payment to Alabama Department of Revenue, Sales and Use Tax Division, on or before the 20th day of the month for the preceding month's liability.

Distribution

Alabama Health Care Trust Fund.

Oil and Gas Privilege Tax

Authority

Sections 40-20-1 through 40-20-13, and 40-20-20 through 40-20-23, Code of Alabama 1975.

Basis

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

Rate

4% 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.

6% Privilege

- Offshore wells, at depths less than 8,000 feet below mean sea level, granted

permits on or after July 1, 1988, by State Oil and Gas Board.

- 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.

3.65% Privilege

- Offshore wells producing from depths greater than 8,000 feet below mean sea level, computed as a percentage of gross proceeds.

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, Business and License 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:

- 16-2/3% - General Fund.
- 16-2/3% - Counties where severed.
- 66-2/3% - Distributed as follows:
 - 25% - Counties where severed.
 - 10% - Municipalities where severed.
- First \$150,000 of remainder:
 - 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.

Offshore:

90% - General Fund.

10% - Counties where severed.

Oil and Gas Production Tax

Authority

Sections 9-17-25 through 9-17-31, and 9-17-34 through 9-17-35, Code of Alabama 1975.

Basis

Production of oil or gas from a well in Alabama.

Rate

2% of gross value at point of production.

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.

1.66% for offshore wells producing from depths greater than 8,000 feet below mean sea level, computed as a percentage of gross proceeds.

Payment

Paid to the Alabama Department of Revenue, Business and License 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, Business and License Tax Division, Severance and License Section.

Distribution

General Fund.

Partnership Income Tax

Authority

Sections 40-18-22, 40-18-24.2, 40-18-24.3, 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

Partnerships (other than QIPs, low income housing projects, and large partnerships treated as corporations) with nonresident partners must file Form PTE-C and remit a composite payment of 5% of the nonresident partners' share of income. The form and any tax due should be remitted on or before the 15th day of the third month following the close of the partnership's accounting period. Returns and payments should be filed with the Alabama Department of Revenue, Individual and Corporate Tax Division, Pass Through Entity Unit.

Distribution

See Individual Income Tax and Corporate Income Tax.

Pharmaceutical Providers Tax

Authority

Sections 40-26B-1 through 40-26B-9, 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 and Use Tax Division, by the 20th of the month for the preceding month's liability.

Distribution

Alabama Health Care Trust Fund.

Prepaid Wireless 9-1-1 Charge

Authority

Sections 11-98-1 through 11-98-15, Code of Alabama 1975.

Basis

Each retail transaction involving the sale of prepaid wireless telecommunications services.

Rate

Effective January 1, 2019, the charge per retail transaction occurring in this state increased to \$1.86.

Payment

File return and remit monthly payment to the Alabama Department of Revenue, Sales and Use Tax Division, on or before the 20th day of the month for the preceding month's liability.

Distribution

Commercial Mobile Radio Services Board and, upon the effective date of the statewide 9-1-1 charge, to the statewide 9-1-1 Board.

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 of 1901.

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 assessment records.

All nonexempt property is divided into the following classes and subject to the assessment ratios indicated:

- Class I All property of utilities used in the business of 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. Residential property shall include single-family dwellings and the fully-developed underlying lot owned by a home builder licensed by the Alabama Homebuilders Licensure Board or who is otherwise authorized by the board to construct single family homes; authorized by the board to construct single family homes; provided that this classification shall not exceed a period of 24 months. 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

Residents of this state, with homesteads who are less than 65 years of age, are exempt from state-levied property taxes not to exceed \$4,000 in assessed value, or 160 acres in area. Residents of this state with homesteads, who are over 65 years of age, retired due to permanent and total disability (regardless of age), or blind as defined in Section 1-1-3 (regardless of age or whether such person is retired) shall be exempt from all state levied property taxes.

Residents of this state, with homesteads who are less than 65 years of age, are

exempted from county-levied property taxes, except countywide and school district property taxes levied for school purposes, not to exceed \$2,000 in assessed value, nor 160 acres in area. An additional exemption, not to exceed \$4,000 in assessed value may be granted for county and municipal taxes, provided countywide, school district, or municipal school district exemptions are approved by resolution of the governing body and school system boards.

Residents of this state, with homesteads, who are 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 some other appropriate evidence, who are retired due to permanent and total disability (regardless of age), or who are blind as defined in Section 1-1-3 (regardless of age or whether such person is retired) are exempted from property taxes levied by any county of this state, including taxes levied for school districts, not to exceed \$5,000 in assessed value, nor 160 acres in area.

The principal residence and 160 acres adjacent thereto of any person who is 65 years of age or older having a net annual taxable income of \$12,000 or less, as shown on such person's and spouse's latest United States income tax return or some other appropriate evidence acceptable to the department or who is permanently and totally disabled, regardless of age or income, are exempt from all state, county and municipal property taxes on their principal residence.

Property tax exemptions include state, county, and municipal property; property devoted exclusively to religious worship, educational, or charitable purposes; household and kitchen furniture; farm tractors, farming implements used for agricultural purposes by the owner; stocks of goods, wares, and 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 property taxes in some cases.

Manufacturers of calcium cyanamid, 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.

Rebuilt (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 Alabama Department of Revenue, Motor Vehicle Division, with submission of application for inspection form (INV 26-15) plus title fee of \$15 and supporting documents.

Distribution

To the Alabama Department of Revenue for “personnel and maintenance cost of the vehicle inspection program.”

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.

Rehabilitation, Preservation and Development of Historic Structures Credit

Authority

Section 40-9F-32, Code of Alabama 1975.

Basis

Income tax credits for private homeowners and owners of commercial properties who substantially rehabilitate historic properties that are listed in or eligible for the National Register of Historic Places and are 60 years old or older will be issued using sales tax revenues in the Education Trust Fund by annual transfer into the Historic Preservation Income Tax Credit Account.

Rate

Income tax credits for rehabilitation of historic structures are equal to 25% of the qualified rehabilitation expenditures for certified historic structures, not exceeding \$5,000,000 for all allowable project types except for certified residential structures, and \$50,000 for certified historic residential structures. The income tax credit must be claimed by the taxpayer for the taxable year in which the certified rehabilitation is placed in service. The credit is refundable and transferable but cannot be carried forward.

For the tax years 2018 through 2022, the aggregate amount of all tax credits that may be reserved in any one of such years by the Alabama Historical Commission and certification of such rehabilitation of historic projects shall not exceed twenty million (\$20,000,000), with no more than one hundred million (\$100,000,000) reserved by the Alabama Historical Commission during the period from May 25, 2017, through December 31, 2022.

Payment

For tax years beginning January 1, 2018, any Alabama income tax credit due an owner or transferee of a certified rehabilitated historic structure will be issued upon 1) a tax credit certificate being issued by the Alabama Historical Commission or a transfer tax credit certificate being issued by the Alabama Department of Revenue, and 2) the taxpayer filing the appropriate income tax return within the time prescribed for filing income tax returns.

Distribution

The Commissioner of Revenue will certify to the comptroller the amount of income tax credits due to owners or transferees of a certified rehabilitated historic structure, and the comptroller will transfer into the Historic Preservation Income Tax Credit Account only the amount of sales tax revenues sufficient for the

Department of Revenue to use to cover the income tax credits for the applicable tax year. The Commissioner of Revenue shall distribute the funds in the account to the owners or transferees of the certified rehabilitation of historic structures.

Rental or Leasing Tax

Authority

Section 40-12-220 through 40-12-227, 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.

1.5% 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 and Use Tax Division, by the 20th of month for preceding month's liability.

Taxpayers may request quarterly filing status if they have a tax liability of less than \$2,400 for the preceding calendar year.

Taxpayers may request semi-annual filing if the tax liability for the entire preceding calendar year is less than \$1,200. Taxpayers may also request semi-annual filing if they make sales, rentals, purchases subject to consumers use tax, or provide accommodations during no more than two 30-consecutive-day periods during the preceding calendar year.

Taxpayers may request annual filing status if the tax liability for the entire preceding calendar year is less than \$600. Taxpayers may also request annual filing if they make sales, rentals, purchases subject to consumers use tax, or provide accommodations during no more than one 30-consecutive-day period during the preceding calendar year.

Quarterly, semi-annual, and annual returns are due by the 20th of the month following the period covered by the return.

Distribution

General Fund.

Sales Tax

Authority

Sections 40-23-1 through 40-23-39, 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.

1.5% selling price of machinery used in mining or manufacturing tangible personal property.

1.5% 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 200 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 and Use Tax Division, by the 20th of the month for the preceding month's liability.

Taxpayers may request quarterly filing status if they have a tax liability of less than \$2,400 for the preceding calendar year.

Taxpayers may request semi-annual filing if the tax liability for the entire preceding calendar year is less than \$1,200. Taxpayers may also request semi-annual filing if they make sales, rentals, purchases subject to consumers use tax, or provide accommodations during no more than two 30-consecutive-day periods during the preceding calendar year.

Taxpayers may request annual filing status if the tax liability for the entire preceding calendar year is less than \$600. Taxpayers may also request annual filing if they make sales, rentals, purchases subject to consumers use tax, or provide accommodations during no more than one 30-consecutive-day period

during the preceding calendar year.

Quarterly, semi-annual, and annual returns are due by the 20th of the month following the period covered by the return.

Taxpayers with an average monthly tax liability of \$2,500 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.

Distribution after the deduction of collection costs

Education Trust Fund, except as follows:

\$378,000 is distributed to the Counties.

\$1,322,000 is distributed to the Department of Human Resources.

42% of the 2% tax on gross proceeds from sale of automotive vehicles and from sale of mobile home set-up materials and related supplies goes to the General Fund.

An amount equal to 5% of the value of food stamp benefits issued statewide in excess of the amount paid by recipients is distributed to the Department of Human Resources.

An amount for debt service is distributed to the Alabama Public School and College Authority.

Revenue generated from \$400 discount cap goes to pay debt service on bonds issued by the Alabama State Parks System Improvement Corporation and/or the Alabama Public Historical Sites and Parks Improvement Corporation and to pay the greater of \$5 million or \$5 million adjusted by a percentage growth in receipts from the cap allocated to the Department of Conservation and Natural Resources for repairs and capital outlays for state parks. The balance goes to the General Fund. Act No. 2011-642, effective October 1, 2011, amended Section 40-23-35, Code of Alabama 1975, to change the distribution of the sales tax discount. The act provides that only for fiscal years ending September 30, 2012, and September 30, 2013, the \$5 million normally disbursed to the Department of Conservation and Natural Resources will, instead, be disbursed to the State General Fund.

Beginning January 1, 2016, all proceeds from the tax on sales of consumable vapor products will be disbursed to the General Fund.

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, Business and License Tax Division, Severance and License Section. Payment is due by the 20th of each month for the previous month's operation.

Distribution

All fees collected, less administrative expenses, are deposited into the Scrap Tire Fund to be distributed for use by the Alabama Department of Environmental Management.

Simplified Sellers Use Tax Remittance Program (SSUT)**Authority**

Sections 40-23-191 through 40-23-199.3, Code of Alabama 1975.

Basis

Gross proceeds of sales of tangible personal property from eligible sellers located outside of Alabama selling into the state. Offers a flat statewide tax with no additional local tax collection authority.

Rate

Flat 8% statewide tax on gross proceeds of sales of tangible personal property.

Payment

File and remit tax to the Alabama Department of Revenue, Sales and Use Tax Division, by the 20th of the month for the preceding month's liability. Electronic filing and payment required.

Distribution

50% to the state.

75% State General Fund.

25% Education Trust Fund.

50% to the local governments within the state.

50% Counties. (40% effective January 1, 2019)

50% Cities. (60% effective January 1, 2019)

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

\$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.

\$1 per ton or \$.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.

\$.25 per cubic yard for all waste disposed of in a private solid waste management facility, not to exceed \$1,000 per calendar year.

Payment

File a quarterly report and remit to the Alabama Department of Revenue, Business and License Tax Division, Severance and License 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% - Retained by 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, Business and License Tax Division, Severance and License 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 and Complementary Legislation Provisions

Authority

Sections 6-12-1 through 6-12-4 and 6-12A-1 through 6-12A-7, Code of Alabama 1975.

Basis

Provides that tobacco product manufacturers not signatory to the Master Settlement

Agreement (MSA) establish a qualified escrow account, make quarterly deposits into the account based on its cigarette and roll-your-own distributions into the State, and file quarterly forms certifying the amount deposited into escrow and the number of cigarette and roll-your-own units distributed. The statute further provides for a monthly report from tobacco distributors identifying manufacturers of cigarettes and roll-your-own tobacco who are not participating from those who are participating in the MSA and whose products were sold tax-paid in Alabama. Additionally, effective April 8, 2014, any cigarettes and roll-your own sold in a transaction not exempted from Alabama taxation by federal statute or constitution shall also be shown on the monthly report. It also provides for a yearly certification by all tobacco products manufacturers (TPMs) wishing to distribute their product in the State. All tobacco product manufacturers are required to have their name and brand(s) listed on the Directory of Cigarettes Approved for Stamping and Sale in Alabama to legally distribute their products in the state.

Payment

Non-participating manufacturers are to make quarterly 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; distributor failure to timely file penalties and amounts collected via the NPM's quarterly posted bond:

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

\$.675 on each package of 20 cigarettes. On other tobacco products such as cigars, filtered cigars, cigar wrappers, smoking tobacco, chewing tobacco, and snuff, rates vary, depending on weight or number of cigars received.

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, Business and License Tax Division, Tobacco Tax Section, by the 20th of the month for the stamps purchased on consignment 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 or its designated agent.

Distribution

Cigarettes

24.44% 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”

75.56% as follows:

- \$2 million to counties to offset administrative expenses

Balance--General Fund for Medicaid services

Other Tobacco Products 100% – General Fund

Transient Occupancy (Lodgings) Tax

Authority

Section 40-26-1 through 40-26-21, 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. For transactions entered into on or after October 1, 2019, marine slips, spaces for tent camping, motor homes, travel trailers, campers, or RVs that are supplied for a period of 90 continuous days or more in any place will be excluded from the tax.

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 12%. 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 and Use Tax Division, and to the proper local authority, by the 20th of month for the preceding month's liability.

Taxpayers may request quarterly filing status if they have a tax liability of less than \$2,400 for the preceding calendar year.

Taxpayers may request semi-annual filing if the tax liability for the entire preceding calendar year is less than \$1,200. Taxpayers may also request semi-annual filing if they have provided accommodations during no more than two 30-consecutive-day periods during the preceding calendar year.

Taxpayers may request annual filing status if the tax liability for the entire preceding calendar year is less than \$600. Taxpayers may also request annual filing if they have provided accommodations during no more than one 30-consecutive-day period during the preceding calendar year.

Distribution

4% tax:

75% – General Fund

25% – Bureau of Tourism and Travel

1% tax:

50% - Alabama Mountain Lakes Association

50% - Respective Counties

TVA Electric Payment

Authority

Sections 40-28-1 through 40-28-5, Code of Alabama 1975.

Basis

The Tennessee Valley Authority (TVA) makes annual payments to Alabama, in lieu of taxes, under federal law, 16 U.S.C. Section 831.

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

83% – Direct-served counties

The direct-served counties' share is allocated among the counties using formulae that analyze:

TVA industrial/residential power sales ratios; book value ratios of TVA property; and, construction in counties where TVA services are provided.

Prior to fiscal year 2010, the dry (non-alcoholic) non-served counties were allocated 5% of the TVA payments and the direct-served counties were allocated 78%. Beginning with fiscal year 2010, the portion allocated to the dry non-served counties was reduced by the increase in certain liquor tax revenues, until the replacement liquor tax revenues equaled the amount of the TVA payments allocated to the dry non-served counties for fiscal year 2009. Thereafter, the portion previously allocated to the dry non-served counties is being allocated to the direct-served counties.

Underground and Aboveground Storage Tank Trust Fund Charge

Authority

Sections 22-35-1 through 22-35-13, Code of Alabama 1975.

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 \$.02 per gallon, nor less than \$.003 per gallon as determined by the Alabama Environmental Management Commission and the Trust Fund Management Board. The current rate is \$.01 per gallon.

Payment

File returns and remit charge to the Alabama Department of Revenue, Business and License Tax Division, Severance and License 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 .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 Labor. File by end of month following close of each quarter.

Use Tax

Authority

Sections 40-23-60 through 40-23-88, 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.

1.5% of selling price of machinery used in mining and manufacturing.

1.5% 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 and Use Tax Division, on the 20th day of month for the preceding month's liability.

Taxpayers may request quarterly filing status if they have a tax liability of less than \$2,400 for the preceding calendar year.

Taxpayers may request semi-annual filing if the tax liability for the entire preceding calendar year is less than \$1,200. Taxpayers may also request semi-annual filing if they make sales, rentals, purchases subject to consumers use tax, or provide accommodations during no more than two 30-consecutive-day periods during the preceding calendar year.

Taxpayers may request annual filing status if the tax liability for the entire preceding calendar year is less than \$600. Taxpayers may also request annual filing if they make sales, rentals, purchases subject to consumers use tax, or

provide accommodations during no more than one 30-consecutive-day period during the preceding calendar year.

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. After the distribution of the 2% tax on gross proceeds from the sales of automotive vehicles and other distributions provided in Section 40-23-85, 75% of future collections from remote sellers and 53% of all current use taxes will be deposited into the General Fund. An amount sufficient to fund the Children’s Health Insurance Program (CHIP) will be distributed annually as a first charge against the amounts allocated to the General Fund under Section 40-23-85. It is the legislative intent that all amounts collected on transactions involving a seller located outside the state when the property is shipped or transported from outside the state will be considered use tax for the purpose of distribution, regardless of whether the taxes are considered sales taxes for other purposes.

Utility Gross Receipts Tax

Authority

Sections 40-21-80 through 40-21-88, 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

Respecting a person are:	The tax is:
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 and Use 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 the actual tax liability 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, water, electric, gas, other public utility, or privately owned and operated wastewater facility).

Rate

2.2% on each dollar of gross receipts.

Payment

File Form FT 5-7 with the Alabama Department of Revenue, Sales and Use 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/Import License Fee

Authority

Section 40-17-174, Code of Alabama 1975.

Basis

All diesel fuel that is sold across the rack at a terminal within this state and all diesel fuel imported into Alabama are subject to the fee.

Exemptions

Section 40-17-174

Diesel fuel exported from Alabama for which proof of export is available in the form of a terminal issued shipping document is exempt from this fee.

Transmix

Biodiesel sold to a licensed supplier at the terminal is exempt from this fee.

Rate

\$.0075 per gallon of diesel fuel.

Payment

By October 14, file and remit the amount due to the Alabama Department of Revenue, Business and License Tax Division, Motor Fuels Section.

Distribution

General Fund.

Agency Directory for Tax Account Numbers

State Sales, Use, Income Tax Withholding, Rental and Lodgings Tax Numbers, Name and/or Address Changes

Electronic Combined Registration/Application
are available on the Department's website at:
myalabamataxes.alabama.gov

Unemployment Compensation Tax Number

Alabama Department of Labor
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 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.	
	10	Quarterly Hospital Assessment for Medicaid Tax due. Note: Act 2011-615 changed the due date of the quarterly Hospital Assessments to the tenth working day of each quarter.	
	15	Fourth installment of estimated personal income tax due.	
	20	Quarterly, semi-annual, and annual sales tax return and payment due. Quarterly, semi-annual, and annual use tax return and payment due. Quarterly, semi-annual, and annual rental or leasing tax return and payment due. Quarterly, semi-annual, and annual transient occupancy (lodgings) tax return and payment due. Quarterly Solid Waste Disposal Fee return and payment due. Compressed Natural Gas Personal Producer Application Fee	
	30	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. Annual Terminal Operator return and/or payment due. Quarterly Construction Employer Fee due. Annual withholding return due.	
	February	10	Quarterly NPM certification and bank verification due.
	March	1	Freight line equipment return due. Public utility property tax return delinquent after this date.
		15	S-Corporation Income Tax return. Business Privilege Tax return for limited liability entities.
		22	Quarterly NPM bond due.
	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.
		10	Quarterly Hospital Assessment for Medicaid Tax due.
		15	Annual NPM payment due into escrow. Estimated personal income tax and first installment due. Corporate income tax return (for calendar-year taxpayers). Financial institutions' excise tax return and payment due. Business Privilege tax return due. Partnership income tax return due.

Due Date		Tax Activity	
April	15	First installment of estimated corporate income tax due (for calendar-year taxpayers).	
		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 fourth month following the close of their tax year.	
		Partnership income tax return due.	
		Personal income tax 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.	
		Quarterly filing for transient occupancy (lodgings) tax return and payment due.	
		Quarterly Solid Waste Disposal Fee return and payment due.	
		30	Annual TPM certification due.
	Annual NPM certification and bank verification due.		
	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.		
	Quarterly Construction Employer Fee due.		
	May	10	Quarterly NPM certification and bank verification due.
	June	15	Second installment of estimated corporate income tax due (for calendar-year taxpayers).
			Second installment of estimated personal income tax due.
	22	Quarterly NPM bond due.	
July	1	Quarterly Dry Cleaning Trust Fund Fee return and payment due.	
		Utility License (2.2%) fourth quarterly payment due.	
	10	Quarterly Hospital Assessment for Medicaid Tax due.	
	20	Quarterly and semi-annual sales tax return and payment due.	
		Quarterly and semi-annual use tax return and payment due.	
		Quarterly and semi-annual rental or leasing tax return and payment due.	
		Quarterly and semi-annual transient occupancy (lodgings) 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.	
		Quarterly Construction Employer Fee due.	

Due Date		Tax Activity
August	10	Quarterly NPM certification and bank verification due.
September	15	Third installment of estimated corporate income tax due (for calendar-year taxpayers).
		Third installment of estimated personal income tax due.
September	21	Quarterly NPM bond 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 vehicle dealer, rebuilder, wholesale, auction and off-site sales licenses due.
		Store and chain store license tax due.
		Utility license (2.2%) return and first quarterly payment due.
	10	Quarterly Hospital Assessment for Medicaid Tax due.
	14	Annual wholesale oil/import license fee 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.
		Quarterly filing for transient occupancy (lodgings) 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.
		Quarterly Construction Employer Fee 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.
	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).
	22	Quarterly NPM bond due.
	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.

Due Date		Tax Activity
December	31	<p data-bbox="309 144 844 196">Last day to claim Exemptions/Abatements on Ad Valorem tax assessments.</p> <p data-bbox="309 217 926 269">IFTA License renewal. Licensees can operate with previous year decals during grace period through end of February.</p>

Required Monthly Returns

Day	Tax Activity
10	Tobacco use tax return and payment due.
	Monthly Jenkins Act Report
15	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	Alabama Uniform Natural Minerals Tax return and payment due.
	Coal severance tax return and payment due.
	Coal transporters' and purchasers' returns due.
	Compressed Natural Gas (CNG)/Liquefied Natural Gas (LNG) return and payment due
	Contractors gross receipts tax return and payment due.
	Inspection Fee return and payment due.
	Local solid minerals tax returns and payments due.
	Lubricating oils tax return and payment due.
	Medicaid-related tax return and payment due for nursing facilities.
	Medicaid tax return and payment due from pharmaceutical service providers.
	Mobile telecommunication services tax return and payment due.
	Motor Fuel Single Point System report and payment due.
	Pari-mutuel pool tax return and payment due.
	Prepaid Wireless 9-1-1 Charge return and payment due.
	Rental or leasing tax (state and local) return and payment due.
	Sales tax (state and local) return and payment due.
	Schedule D (NPM Cigarette Activity) report due.
	Scrap Tire Environmental Fee return and payment due.
	Simplified Sellers Use Tax, Tobacco tax (state and county) return, reports and payment due.
	Transient Occupancy (Lodgings) tax (state and local) return and payment due.
	Underground and aboveground storage tank trust fund charge due.
	Use tax (state and local) return and payment due.
	Utility gross receipts tax return and payment due.
	Blender return and payment due.
	Exporter return due.
	Importer return due.
Supplier/Permissive Supplier return and payment due.	
30	Hazardous waste fee return and payment due.

Last day of Month	State horse wagering fee return and payment due.
	Terminal Operator return due.
	Transporter return due.
	IRP renewal. Every month except December according to assigned renewal month.

Distribution of State Taxes/Fees Collected

DIV	TAX SOURCE	GENERAL	EDUCATION	ROAD & BRIDGE	COUNTIES
IT	Alabama Accountability Act				
BLT	Alabama Uniform Natural Minerals Tax				
MV	Automotive Dismantler & Parts Recycler License	ALL			
BLT	Aviation Fuel Tax				
IT	Business Privilege Tax	(1)			(1)
BLT	Coal Severance Tax	(39)			(14) (39)
BLT	Compressed Natural Gas (CNG)/ Liquefied Natural Gas (LNG)			NET	
ST	Contractor's Gross Receipts Tax				
IT	Corporate Income Tax	(4)	BAL (4)		
PT	Deeds & Assignments	38.461% (33)	46.154% (33)		
ST	Dry Cleaning Trust Fund Fee				
IT	Estate Tax	ALL			
IT	Financial Institutions' Excise Tax	50%			16.7%
BLT	Forest Products' Severance Tax				
PT	Freight Line & Equipment Tax	ALL			
BLT	Gasoline Tax			(3)	(3)
BLT	Hazardous Waste Fee	(22)			(22)
BLT	Horse Wagering Fee	ALL			
ST	Hospital Assessment for Medicaid				
ST	Hydro-Electric K.W.H. Tax		42%		
IN	Illegal Drug Tax	ALL			
IT	Income Tax	(4)	BAL (4)		
BLT	Inspection Fee			(37)	(37)
BLT-Business & License Tax; FO-Financial Operations; IT-Individual & Corporate Tax; IN-Investigations; MV-Motor Vehicle; PT-Property Tax; ST-Sales & Use Tax					

by the Alabama Department of Revenue

CITIES	MENTAL HEALTH	HEALTH	CONSERVATION	HUMAN RE- SOURCES	OTHER
					(36)
					(28)
					(17)
(14)					(39)
	85%				(24)
				15.385% (33)	
					ALL
33.3%					
					(2)
(3)			(3)		(3)
					(22)
					(31)
	58%				
(37)					(37)

Distribution of State Taxes/Fees Collected

DIV	TAX SOURCE	GENERAL	EDUCATION	ROAD & BRIDGE	COUNTIES
MV	International Fuel Tax Agreement			(16)	(16)
MV	International Registration Plan			(13)	(13)
BLT	Local Solid Minerals Tax				
BLT	Lubricating Oils Tax	(7)		(7)	(7)
MV	Mandatory Liability Insurance (MLI)	(30)			
MV	Manufactured Home Title & Cancellation Fee	ALL			
ST	Mobile Telecommunications Services Tax	(25)	(25)		
MV	Motor Carrier Fuel Tax			(16)	(16)
BLT	Motor Carrier Mileage Tax			BAL (5)	
BLT	Motor Fuels (Diesel)			(27)	(27)
MV	Motor Vehicle Dealer Licenses	(41)			
MV	Motor Vehicle Registration Fee			(13)	(13)
MV	Motor Vehicle Title Fee	ALL			
ST	Nursing Facility Tax				
BLT	Oil and Gas Privilege Tax	(6)			(6)
BLT	Oil and Gas Production Tax (2%)	ALL			
BLT	Pari-Mutuel Pool Tax	ALL			
ST	Pharmaceutical Providers Tax				
ST	Prepaid Wireless 9-1-1 Charge				
ST	Rental or Leasing Tax	ALL			
ST	Sales Tax	(19)	BAL		\$378,000
IN	Rebuilt (Salvage) Vehicle Inspection Fee				

BLT-Business & License Tax; FO-Financial Operations; IT-Individual & Corporate Tax; IN-Investigations; MV-Motor Vehicle; PT-Property Tax; ST-Sales & Use Tax

by the Alabama Department of Revenue

CITIES	MENTAL HEALTH	HEALTH	CONSERVATION	HUMAN RE- SOURCES	OTHER
(16)					(18)
(13)					(18)
					(28)
(7)					
					(30)
					(35)
					(25)
(16)					
(27)					(27)
					(41)
(13)					
					(21)
(6)					
					(21)
					(34)
				\$1,322,000	
					(15)

Distribution of State Taxes/Fees Collected

DIV	TAX SOURCE	GENERAL	EDUCATION	ROAD & BRIDGE	COUNTIES
IT	Rehabilitation, Preservation & Development of Historic Structures Credit		(40)		
BLT	Scrap Tire Environmental Fee				
ST	Simplified Sellers Use Tax				
BLT	Solid Waste Disposal Fee				
BLT	State Horse Wagering Fee	ALL			
BLT	Store & Chain Store License		ALL		
BLT	Tobacco Products (Cigarettes) Tax	66.67% (29)			
BLT	Tobacco Products (Tobacco) Tax	ALL			
ST	Transient Occupancy (Lodgings) Tax	(12)			(12)
FO	TVA Electric	BAL			(8)
BLT	Underground & Aboveground Storage Tank Trust Fund Charge	(23)			
ST	Use tax	(20)	BAL		
ST	Utility Gross Receipts Tax		BAL		
ST	Utility License Tax (2.2%)	15%			
BLT	Wholesale Oil/Import License Tax	ALL			
BLT-Business & License Tax; FO-Financial Operations; IT-Individual & Corporate Tax; IN-Investigations; MV-Motor Vehicle; PT-Property Tax; ST-Sales & Use Tax					

by the Alabama Department of Revenue

CITIES	MENTAL HEALTH	HEALTH	CONSERVATION	HUMAN RE- SOURCES	OTHER
					(40)
					(26)
					(38)
					(32)
	12.12% (29) (9)	9.09% (29) (10)	6.06% (29)	6.06% (29)	
					(12)
				(23)	
	\$14,600,000				
	85%				

- 1) A portion of the Business Privilege Tax will be distributed to each county and the remainder will go to the General Fund.
- 2) 100% Special State Forestry Fund administered by the State Forestry Commission.
- 3) Gasoline has a total 26-cent per gallon tax (effective October 1, 2020) levy comprised of a 7-cent levy, 5-cent supplemental levy, a 6-cent levy and a \$.08 levy. 1 and 23/100% of net collections of the 12-cent tax levy (7-cent and 5-cent supplemental tax levy) goes to Conservation (60% of the 35/100% to the State Water Safety Fund and 40% of the 35/100% to the Seafood Fund; 70/100% to the Game and Fish Fund; 60% of 18/100% to the State Water Safety Fund and 40% of the 18/100% to the Seafood Fund). The distribution to the Game and Fish Fund (70/100%) and the additional distribution to the Water Safety Fund and the Seafood Fund (18/100%) are deducted from the funds allocated to the State Road and Bridge Fund. These credits cannot diminish the allocations provided to the counties. Original 7-cent levy - 45% of net tax proceeds goes to the State Road and Bridge Fund and 55% of the net tax proceeds goes to the 67 counties of which 10% of the counties' share is distributed to the cities. Supplemental 5-cent tax - 3/5 of the net tax proceeds goes to the State Road and Bridge Fund and 2/5 is distributed as follows: 45% State Road and Bridge Fund and 55% to counties of which 10% of the counties' share is distributed to the cities. Additional 6-cent tax levy - 2/3 of net collections (45% goes to the State Road and Bridge Fund and 55% goes to counties of which 10% of the counties' share is distributed to the cities). 1/3 of net collections distributed to the Inspection Fee Fund which is further distributed by the State Treasurer as follows: 5% or no less than \$175,000, whichever is greater, to the Agricultural Fund, (a) 13.87% of balance of proceeds distributed equally to the counties, (b) \$408,981 distributed to Department of Transportation Public Road and Bridge Fund, (c) 2.76% of balance of proceeds allocated amount the incorporated municipalities, (d) 5% if balance of proceeds after distributions to (a) and (c) is distributed to Agricultural Fund, (e) 2½% of balance of proceeds after (a), (b), (c), and (d) or no less than \$87,500, whichever is greater, is distributed to the Department of Revenue, and (f) balance after (a), (b), (c), (d), and (e) is distributed to the Department of Transportation Public Road and Bridge Fund, as provided in Section 8-17-91, Code of Alabama, 1975; Section 40-17-371, Code of Alabama 1975 - (Rebuild Alabama Act) \$.08 tax levy - 0.25% ADOR Administrative Fee, \$750,000 Alabama Highway Finance Corporation, 66.67% Department of Transportation (Rebuild Alabama Fund), 25% Counties (45% equal share and 55% population ratio) and 8.33% Cities (25% equal share and 75% population ratio).
- 4) Portion necessary to reimburse the Property Tax Relief Fund for homestead exemptions. Balance to Education Trust Fund.
- 5) Administrative cost to Public Service Commission.
- 6) Onshore Production: 25% General Fund; 75% balance distributed as follows: 66-2/3% distributed as follows: 25%, counties severed; 10%, cities severed; 50% of the first \$150,000 remaining to General Fund; 42.5%, counties severed; and 7-1/2%, cities. Remainder of 66-2/3%: 84%, General Fund; 14% counties served, 2%, cities; 16-2/3%, General Fund; 16-2/3%, counties

- served. Offshore Production: 90%, General Fund; 10%, counties served.
- 7) 1935 Act - \$.02 to the General Fund; 1980 Act - \$.04: 45%, State Road and Bridge Fund; 55% to counties (10% of which is distributed to the cities).
 - 8) TVA served counties, 75%; Dry non-TVA served counties, 5%.
 - 9) Mental health facility construction; balance - 30%, Health; 70%, Mental Health.
 - 10) Debt service of IDA bonds; balance - 36%, Health; 64%, Mental Health.
 - 11) At the Revenue Commissioner's discretion, the commissioner shall cease to make deposits to the General Fund so as to maintain the trust fund in which to make payment of claims. The trust fund shall retain an amount not greater than \$1,000,000. Persons dying intestate and leaving unclaimed funds: such funds go to Public School Fund.
 - 12) 75% of 4% tax to the General Fund. 25% of 4% tax to Alabama Bureau of Tourism and Travel. 50% of 1% tax to Alabama Mountain Lakes Association. 50% of 1% tax to Alabama Mountain Lakes counties.
 - 13) Base fee distribution: 2.5% commission to licensing official, 5% Public Road and Bridge Fund, 72% Public Road and Bridge Fund, 21% city or county, 7% cities and counties. Additional fee distribution: 64.75% Public Road and Bridge Fund, 35.25% counties.
 - 14) 0.20 monies: coal or lignite severed within police jurisdiction or municipal limits as they existed on Jan. 1, 1977: 50%, municipality where severed and 50%, county where severed. Coal or lignite severed other than within police jurisdiction or municipal limits: 100%, county where severed. \$0.135 monies: State Mining Academy, State Docks Bulk Hand Facility Trust Fund, various counties and other agencies per Section 40-13-6 (Refer to 39)
 - 15) Administrative cost to Alabama Department of Revenue for Rebuilt (Salvage) Vehicle Inspection Program.
 - 16) That portion attributable to the use of gasoline shall be distributed in the manner of the gasoline tax. That portion attributable to the use of diesel fuels shall be distributed in the manner of the diesel fuels tax.
 - 17) Department of Transportation – Aeronautics Division.
 - 18) Prorated to participating states.
 - 19) Sales tax on automotive vehicles - 58%, Education Trust Fund; 42%, General Fund. Discount cap revenues to state parks and Foster Children Program.*
 - 20) Use tax on automotive vehicles - 58%, Education Trust Fund; 42%, General Fund. Discount cap revenues to Department of Conservation and Natural Resources.* All other use tax – 53%, General Fund; 47%, Education Trust Fund.
 - 21) Alabama Health Care Trust Fund.
 - 22) Distribution of funds based upon the waste type. Note: General fund distributions are also subject to a county guarantee. \$5.50 RCRA/PCB and All Other Wastes – will be used to meet the annual guarantee amount of \$4.2M to the county. After the \$4.2M is met, any remaining amounts are to be split 50/50 between the General Fund and the county. \$1.00/ton – All to Alabama Hazardous Substance Cleanup Fund.
 - 23) 100% to the Alabama Underground and Aboveground Trust Fund.
 - 24) 15% to the Pensions and Security Trust Fund.

- 25) Appropriated amount for annual payment of principal and interest due to outstanding Alabama Revolving Loan Fund Authority bonds. \$1.5 million to Special Education Trust and remainder to the General Fund.
- 26) 100% to the Department of Environmental Management – Scrap Tire Fund.
- 27) 100% of 13-cent levy – Road and Bridge Fund; 4.69% of 6-cent levy – distributed equally among the 67 counties; .93% of 6-cent levy – distributed to incorporated municipalities as provided in § 8-17-91(a)(2)c; Remainder of 6-cent levy – Road and Bridge Fund; § 40-17-371 (Rebuild Alabama Act); \$.08 tax levy - 0.25% ADOR Administrative Fee, \$230,000 Alabama Highway Finance Corporation, 66.67% Department of Transportation (Rebuild Alabama Fund), 25% Counties (45% equal share and 55% population ratio) and 8.33% Cities (25% equal share and 75% population ratio).
- 28) Counties where severance occurs.
- 29) Of 100% collected: 75.56% - Medicaid, with up to \$2 million to local governments to defray the cost of obtaining and affixing stamps. Of the remaining 24.44%: 66.67% to General Fund; 9.09% to Health; 12.12% to Mental Health; 6.06% to Parks (Conservation); 6.06% to Welfare (Human Resources).
- 30) From the net proceeds the Department of Revenue receives, 15% is distributed to the Alabama Peace Officers' Annuity and Benefit Fund. Administrative costs for the MLI program are paid and any remaining funds are distributed to the General Fund.
- 31) 100% to Medicaid.
- 32) 25% to the Alabama Recycling Fund; 25% to the Solid Waste Fund; 45% to the Alabama Department of Environmental Management; 4% Administrative Collection Allowance for owners and operators; 1% Administrative Collection Allowance for the Department of Revenue.
- 33) All property taxing jurisdictions receive their proportional share of the taxes, fees, and interest upon the sale of tax delinquent property. State portion of funds: General Fund receives 38.461% for costs, and interest on the costs; Education Trust Fund receives 46.154% and Human Resources receives 15.385%.
- 34) Commercial Mobile Radio Services Board and, upon the effective date of the statewide 9-1-1 charge, to the statewide 9-1-1 Board.
- 35) Additional \$5 issuance fee is distributed to the Alabama Housing Foundation.
- 36) The Commissioner of Revenue will annually distribute the funds in the Failing Schools Income Tax Credit Account, set up in the Education Trust Fund, to qualifying parents.
- 37) Inspection fee collections less refunds are distributed by the State Treasurer as follows: 5% or no less than \$175,000, whichever is greater, to the Agricultural Fund, (a) 13.87% of balance of proceeds distributed equally to the counties, (b) \$408,981 distributed to Department of Transportation Public Road and Bridge Fund, (c) 2.76% of balance of proceeds allocated among the incorporated municipalities, (d) 5% of balance of proceeds after distributions to (a) and (c) is distributed to Agricultural Fund, (e) 2 ½% of balance of proceeds after (a), (b), (c), and (d) or no less than \$87,500, whichever is greater, is distributed to the Department of Revenue, and (f) balance after (a),

(b), (c), (d), and (e) is distributed to the Department of Transportation Public Road and Bridge Fund, as provided in Section 8-17-91, Code of Alabama, 1975.

- 38) 50% to the state: 75% General Fund; 25% Education Trust Fund; 50% to local governments within the state: 50% to the counties; 50% to the cities.
- 39) Applied to credit of Alabama State Docks Bulk Handling Facility Trust Fund to meet annual interest and bond retirement requirements. Balance 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; remainder, General Fund. Additional monies levied distributed to the Surface Mining Commission. (Expired August 1, 2019).
- 40) The Commissioner of Revenue will annually distribute the funds in the Historic Preservation Income Tax Credit Account, set up in the Education Trust Fund, to qualifying owners or transferees of the certified rehabilitation of historic structures.
- 41) A minimum of \$25 or 10%, whichever is greater of the application fee shall be appropriated to the General Fund. The remaining amount shall be continuously appropriated to the department for the inspection, issuance and enforcement of the licensing requirements.

* Note: For the 2013-2014 fiscal year and for all fiscal years thereafter, monies remaining after payment of servicing the State Dock's bonds, or any anticipated deficiencies in operating the docks shall be distributed as follows: \$300,000 Alabama Mining Academy; 60% transferred by Department of Revenue to the general fund of the county of severance based on the ratio of the \$.135 per ton coal severance tax collections from within the county to the total coal severance tax collections, except those sent to the Walker County Economic and Industrial Development Authority; provided, however, \$500,000 to the Jefferson County General Fund; \$100,000, Community Development Foundation, Inc.; \$50,000 Marion County Community Development Association, Inc.; \$50,000, West Alabama Development Association of Fayette County; \$100,000, West Alabama Economic Development Association; \$100,000, Winston County General Fund; remainder, General Fund.

* Effective October 1, 2002, the lesser of \$500,000 or entire amount to Human Resources. Balance to Department of Conservation and Natural Resources.

Revenue Legislation

General Revenue Related Acts

2020 Regular Session

Act 2020-30 (HB 140)

Alternative Cover for Solid Waste Disposal

The act revises the definition of landfill and sanitary landfills in Section 22-27-2 to include those covered with material in addition to earth. These “alternative materials” must be approved by the Alabama Department of Environmental Management. The act does not expressly address fees applicable to the disposal of waste in landfills that use alternative materials as coverings. However, the solid waste disposal fees prescribed under Section 22-27-17 may be applicable to facilities using alternative materials that are now included within the definition of landfill under Section 22-27-2 as amended by the act.

Effective Date: June 1, 2020

Act 2020-147 (HB 401)

Privilege Assessment for Nursing Facilities

The act includes the following changes to current law regarding the privilege assessment for nursing facilities:

- Increases the nursing facilities privilege assessment by \$327.48 per annum for each bed in a nursing facility beginning September 1, 2020. The additional amount is to be paid in equal monthly installments as a part of the existing privilege assessment levied under Section 40-26B-21.
- Provides that payment to nursing facilities for determined allowable costs in respect to the additional privilege assessment will be included in Medicaid per diem rates for services provided on and after October 1, 2020, in the same manner that reimbursement for the privilege assessment is included in Medicaid per diem rates.
- Provides a formula for the calculation of the October 1 adjustment to the per diem rate for each Medicaid nursing facility for the allowable costs associated with the addition to the privilege assessment.
- Provides for the recalculation of the current asset value for nursing facilities and annual rebasing for the purpose of calculating the Medicaid nursing facility rates for each subsequent cost reporting year and further provides that any resulting rate increase will be effective for services provided on or after October 1, 2020.
- Empowers the Alabama Medicaid Agency to create a quality incentive program for nursing facilities that meet certain quality measures during the scoring year.

Effective Date: May 18, 2020

Local Revenue Related Acts 2020 Regular Session

Effective dates designated as “CA” indicate acts that will not become effective unless a corresponding constitutional amendment is approved by a majority vote of the qualified electors of the county and in any political subdivision affected by the proposed amendment voting in a referendum election. If known, the date of the required referendum election is included in the stated effective date.

Act 2020-14 (HB 147)

Municipal Occupational Taxes

The act prohibits any municipality that does not currently levy an occupational tax from imposing one unless authorized by local law. The act will not affect or repeal any existing municipal occupational taxes in effect prior to February 1, 2020.

Effective Date: March 3, 2020

Act 2020-37 (SB 96)

Transfer of Certain Duties in Elmore County

The act transfers the issuance of licenses, excluding marriage licenses; the assessment and collection of ad valorem taxes; and the collection of license taxes and registration fees related to the registration of motor vehicles and manufactured homes from the Judge of Probate of Elmore County to the Elmore County Revenue Commissioner beginning July 1, 2020. Additionally, the act provides for a \$16,000 annual expense allowance divided into monthly installments from the county general fund to the Elmore County Revenue Commissioner beginning July 1, 2020, through September 30, 2021. The act also sets an annual base salary beginning October 1, 2021, for the Elmore County Revenue Commissioner of \$95,000 and Judge of Probate of Elmore County of \$98,000.

Effective Date: July 1, 2020

Act 2020-38 (HB 78)

Transfer of Certain Duties in Elmore County

The act transfers the issuance of licenses, excluding marriage licenses; the assessment and collection of ad valorem taxes; and the collection of license taxes and registration fees related to the registration of motor vehicles and manufactured homes from the Judge of Probate of Elmore County to the Elmore County Revenue Commissioner beginning July 1, 2020. Additionally, the act provides for a \$16,000 annual expense allowance divided into monthly installments from the county general fund to the Elmore County Revenue Commissioner beginning July 1, 2020, through September 30, 2021. The act also sets an annual base salary beginning October 1, 2021, for the Elmore County Revenue Commissioner of \$95,000 and Judge of Probate of Elmore County of \$98,000.

Effective Date: July 1, 2020

Act 2020-72 (HB 66)

Creation of the Local Redevelopment Authorities with Active United States Air Force Installations

The act authorizes a municipality or county to establish a local redevelopment authority for economic development, redevelopment, and rehabilitation on property that is contiguous with an active United States Air Force installation within the state. Among its other provisions, the act

- Provides tax exemptions for the authority and a cooperative district of which the authority is a member and exempts private users that lease, operate, or manage a project owned by an authority or cooperative district from state and local sales and use tax relating to the construction, operation, and maintenance of a project of the authority.
- Authorizes the authority to require payments in lieu of taxes to be made by private users of the project, and to enter into agreements with any person requiring payment in lieu of taxes and to enforce such payments.
- Requires that in lieu of tax payments received by the authority be dedicated to the payment of bonds financing or refinancing the projects of the authority. Any funds remaining after these bond obligations are fully paid must be transferred to the governmental entities that would have received the tax revenue, but for the tax exemptions and in lieu of tax payments authorized by the act.

Notwithstanding other provisions of the act, an authority or cooperative district of which an authority is a member shall be subject to sales and use taxes, income tax, and ad valorem tax upon the first day of the third calendar month following 20 years after the date of the incorporation of the authority.

Effective Date: March 31, 2020

Act 2020-75 (HB 231)

Calhoun County Levy and Collection of Special Issuance Fee

The act authorizes the License Commissioner of Calhoun County to levy and collect a special issuance fee of twenty-five (\$.25) cents on each motor vehicle registration renewal. The issuance fee is in addition to all other fees, taxes, and other charges provided by law. The special issuance fee is retained by the License Commissioner of Calhoun County and may be used for the improvement of services and the operation of the office and in the performance of official duties of the license commissioner. The act restricts the proceeds from use for any salary or cost of living expense related to the office. The issuance fee shall be deposited into a segregated account and shall be subject to audit by the Department of Examiners of Public Accounts.

Effective Date: March 31, 2020

Act 2020-89 (HB 17)

Fayette County Ad Valorem

The act authorizes a three mill per dollar property tax levy for fire protection on all real property in Fayette County beginning with the taxes due and payable

on October 1, 2021 (lien date October 1, 2020). If the levy is approved by the voters, the collections from the levy will be paid to the Fayette County Firefighter Association and distributed equally among the paid and volunteer fire departments in the county.

Effective Date: CA; TBD

Act 2020-100 (HB 472)

Crenshaw County Ad Valorem

The act grants the Crenshaw County Commission the ability to levy annually for five tax years starting on October 1, 2021, an ad valorem tax at a rate not to exceed three mills per dollar of assessed value of taxable property. The proceeds of the tax are to be distributed to the Crenshaw County Health Care Authority for public hospital and related health care purposes.

Effective Date: CA; TBD

Act 2020-130 (HB 316)

Removal of an Unclaimed Motor Vehicle by Class 1 Municipal Parking or Traffic Enforcement Officers

The act provides that, in addition to a law enforcement officer, a Class 1 municipal parking enforcement officer or traffic enforcement officer who is not required to be certified by the Alabama Peace Officers' Standards and Training Commission is authorized to remove a motor vehicle to the nearest garage or place of safety if the motor vehicle is left unattended on a public street, road, or highway or other property for a period of at least 48 hours, if the driver of the vehicle has been arrested or impaired, or the vehicle is subject to impoundment. Additionally, the act provides that municipal parking enforcement officers or traffic enforcement officers shall be allowed the same lien provisions and be subject to the same notification requirements as law enforcement officers regarding the removal of an unclaimed motor vehicle. The parking enforcement officer or traffic enforcement officer shall have a lien on the motor vehicle for reasonable fees for the removal and for the storage of the motor vehicle. Additionally, the parking enforcement officer or traffic enforcement officer must give written notice of the vehicle removal within five calendar days.

Effective: August 1, 2020

Act 2020-144 (HB 496)

Cullman County Sales and Use Tax Distribution

The act amends the distribution of net proceeds from various sales and use taxes made by the Cullman County Treasurer. The act provides that proceeds from various sales and use taxes paid to the municipalities, other than City of Cullman, shall only be paid to the municipalities incorporated prior to the effective date of this act, and shall be based on the population of those municipalities, other than City of Cullman, incorporated prior to the effective date of this act.

Effective Date: May 18, 2020

Act 2020-178 (SB 313)

Elmore County Lodging Tax

The act provides that the Elmore County Commission may levy a privilege or license tax against every person within the county engaging in the business of renting or furnishing rooms, lodgings, or accommodations to a transient. The tax shall be equal to a percent in the corporate limits of each municipality levying a lodging tax and a percent in the remainder of the county outside the corporate limits of any municipality levying a lodgings tax so that the total lodgings tax levied in each municipality levying a lodgings tax on January 1, 2020, and in the remainder of the county outside the corporate limits of any municipality levying a lodging tax is equal to 15.5%, based on the lodging tax levied by any municipality on January 1, 2020. In any municipality levying a lodgings tax on January 1, 2020, equal to or exceeding 15.5%, no additional lodgings tax shall be levied. The act also provides that the Elmore County Commission may levy an additional room fee on the rental of a room subject to the lodging tax in the amount of \$2 in order to equalize the room fee in Elmore County with the present rate in the City of Prattville in Autauga County. The act further provides that charges for property sold or services furnished for which sales tax is applicable are exempted from the lodgings tax. The act provides the tax shall be due and payable to Elmore County on or before the 20th day of the month next succeeding the month in which the tax accrues. The act further provides that the balance of the proceeds from the tax shall be deposited into the Elmore County Lodging Fund.

Effective Date: May 19, 2020

Act 2020-183 (HB 389)

City of Guntersville Special Tax Rate

The act authorizes the City of Guntersville in Marshall County, upon approval of qualified voters, to increase the Special Tax rate by an additional amount up to \$.90 (9 mills on each dollar) to be used and expended exclusively for capital outlay or debt service for public schools. The increase in the rate at which the Special Tax may be levied and collected pursuant to this act is subject to the approval of a majority of the qualified electors residing in the city who vote on the proposed increase at a special election called and held for such purpose and effective, due, and payable beginning on the next October 1.

Effective Date: CA; TBD