

Alabama Department of Revenue
General Summary of State Taxes

2013



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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.

Introduction

The *General Summary of State Taxes* is published for the purpose of offering a concise handbook of the revenue sources -- taxes or fees -- currently available to the state of Alabama. The taxes are outlined with the statutory or constitutional authority, basis, rate, exemption, payment, distribution, and changes through the 2013 regular session of the Alabama Legislature. This information is contained in Parts Two and Three of this publication.

Part One of this publication features helpful information about the Alabama Department of Revenue, including the department's website, the duties and responsibilities of the department, descriptions of the various units within the organization, statistical information, and useful contact information.

Part One – General Information

Revenue Department Web Site

The department maintains a web site 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 web site address is www.revenue.alabama.gov.

The department has a feature called “My Alabama Taxes - MAT”. In “My Alabama Taxes - MAT” taxpayers can register to view their account online. Taxpayers can also file and pay certain business taxes, print copies of their tax returns and letters. Taxpayer’s can access “My Alabama Taxes - MAT” by clicking on the link for “My Alabama Taxes - MAT” on the home page of the department’s website.

Income Tax Refund Inquiry

Taxpayers may also check the status of their refund from their iPhone by downloading the free "My AL Refund" app from iTunes.

Taxpayers’ Bill of Rights and Uniform Revenue Procedures Act and Taxpayer Advocate

Section 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 the procedures and provisions into one chapter and provides an advocate to resolve certain taxpayer matters.

Historical Outline for the Alabama Department of Revenue

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 provided for 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 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. The first income tax was enacted in 1933.

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 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 State Department of Revenue. Several acts resulted in a single executive officer being made ex-officio State Land Commissioner, and a Legal Counsel being provided to the department for assistance in tax litigation. Thus, the entire revenue department of the state was joined together under the new commissioner of revenue.

Duties and Responsibilities of the Department – Generally

Included among the duties of the Alabama Department of Revenue are 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; and

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.

To issue executions and writs of garnishment.

Office of the Commissioner of Revenue

Commissioner of Revenue

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.

As state revenue commissioner, the commissioner is responsible for the operation and management of the Alabama Department of Revenue. In addition to the administration, collection and enforcement of over 50 state taxes and fees, with annual collections exceeding \$8 billion, the commissioner is also, by law, the Ex-Officio Land Commissioner. As Ex-Officio Land Commissioner, the commissioner must oversee 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 State Revenue Commissioner are detailed in §40-2-41, Code of Alabama, 1975.

Assistant Commissioner of Revenue

The Assistant Commissioner of Revenue is the top senior management position within the Alabama Department of Revenue. The assistant commissioner is a merit system employee whose job classification provides for management continuity and stability for the department irrespective of changes in state administration. Code of Alabama §40-2-44 establishes the office of Assistant Commissioner of Revenue and provides that in the absence of the commissioner, the assistant commissioner will assume the duties of the office of the Commissioner of Revenue.

Deputy Commissioners of Revenue

The Deputy Commissioners of Revenue are appointed positions and hold offices according to the provisions of the state Merit System as provided by Chapter 26 of Title 36, Code of Alabama, 1975.

The Deputy Commissioners' roles include a myriad of duties and activities that are positioned to bring to fruition the plans and goals of the Commissioner of Revenue. These activities 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 Revenue Department; liaison functions with the Governor and his staff; interactions with various legislators, business groups, and professional associations.

Duties of 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. The Director of Tax Policy and Research serves as the Secretary.

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 entire time shall be devoted to the Department of Revenue. He takes the oath required of other assistant attorneys general.

Taxpayer Advocate

The person 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.

Directory

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

Commissioner of Revenue

Julie P. Magee
Rm. 4112
Gordon Persons Bldg.
334-242-1175

Office of the Commissioner of Revenue

Assistant Commissioner

Michael Mason
Rm. 4112
Gordon Persons Bldg.
334-242-1175

Deputy Commissioner

Joe Garrett
Rm. 4112
Gordon Persons Bldg.
334-242-1175

Deputy Commissioner

Curtis Stewart
Rm. 4112
Gordon Persons Bldg.
334-242-1175

Legal Division

Mark Griffin, Chief Counsel
Rm. 3114, GPB
334-242-9690

Tax Policy and Research

Mike Gamble, Director
Rm. 4131, GPB
334-242-1380

Taxpayer Advocate

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

Divisions

Business & License Tax Division - Janet W. Stathopoulos, Director

First Floor of the Gordon Persons Building

Business Privilege Licenses, (Automotive Dismantlers and Parts Recyclers, Buyer's Identification Cards), Severance Taxes, (Oil and Gas, Forest Products, Coal, Alabama Uniform Natural Minerals Tax, Local Solid Minerals and Iron Ore), Tobacco Taxes (State and County), Escrow & Complimentary Legislation Provisions relating to the tobacco Master Settlement Agreement, Playing Cards Tax, 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, Motor Carrier Mileage Tax, Scrap Tire Environmental Fee, and County Fuel Taxes

Room 1210

Gordon Persons Bldg.

334-242-9600

Collection Services Division - Voncile Catledge, Director

Third Floor of the Gordon Persons Building

Room 3143, GPB, 334-242-1220

Final Assessment Collection, Executions, Garnishments, Seizures, 100% Penalty Assessments

Joan Crumbley, Assistant Director, Rm. 3143, 334-242-1220

Economic Development

Rm. 4112

Gordon Persons Bldg.

334-242-1175

Human Resources Division - Linda Ellis, Director

Rm. 4102

Gordon Persons Bldg.

334-242-1670

Individual and Corporate Tax Division – James Lucy, Director

Fourth Floor of the Gordon Persons Building

Room 4212, GPB, 334-242-1000

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

Anne Winborne, Assistant Director, Rm. 4212, 334-242-1000

Kathleen Abrams, Assistant Director (Field Operations), Rm. 4340, 334-242-9819

Information Technology Division – Debbie Hornsby, Director

Rm. 1115

Gordon Persons Bldg.

334-242-8500

Investigations Division - Charles E. Crumbley, Director

2545 Taylor road

334-242-3012

Motor Vehicle Division - Brenda Coone, Director

Montgomery Taxpayer Service Center
2545 Taylor Road, 334-242-9000

**Titles, Motor Vehicle Registration, Mandatory Liability Insurance, International Fuel Tax Agreement,
International Registration Plan, Motor Vehicle Dealers Off-Site License,
Motor Vehicle Dealers, Reconditioners, Rebuilders and Wholesaler License**

Jay Starling, Assistant Director, 334-242-9880

Processing Division - Anne Glenn, Director

Don Graham, Assistant Director
Rm. 1101
Gordon Persons Bldg.
334-242-2017

Property Tax Division - Bill Bass, Director

Fourth Floor of the Gordon Persons Building
Room 4103, GPB, 334-242-1525

**Property Tax, Real Property Valuation, Personal Property Valuation, Motor Vehicle Valuation, Public
Utility Assessments, Freight Line Equipment Tax, Land Sales**

Hartley McLaney, Assistant Director, Rm. 4126, 334-242-1525

Sales and Use Tax Division - Joe Walls, Director

Third and Fourth Floors of the Gordon Persons Building
Room 4303, GPB, 334-242-1490

**Sales and Use Taxes, Casual Sales Tax, City and County Sales and Use Taxes, Rental Tax, Lodgings Tax,
Utility Taxes, Mobile Communications Tax, TVA Tax, Contractors Gross Receipts Tax, Hospital Assessment
for Medicaid Tax, Nursing Facilities Tax, Pharmaceutical Providers Tax, Dry Cleaning Environmental
Response Trust Fund Fee, Prepaid Wireless 9-1-1 Charge**

Dan Bass, Assistant Director, Rm. 4303, 334-242-1575

Taxpayer Service Centers

PHYSICAL ADDRESSES - DO NOT USE THESE ADDRESSES FOR MAILING!

(Mailing Addresses are shown on the Next Page)

AUBURN/OPELIKA Service Center

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

JEFFERSON/SHELBY Service Center

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

DOTHAN Service Center

344 North Oates St.
Dothan, AL 36303
Phone -- (334) 793-5803

GADSDEN Service Center

235 College Street
Gadsden, AL 35901
Phone -- (256) 547-0554

HUNTSVILLE Service Center

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

MOBILE Service Center

955 Downtowner Blvd
Mobile, AL 36609
Phone -- (251) 344-4737

MONTGOMERY Service Center

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

MUSCLE SHOALS Service Center

874 Reservation Road
Muscle Shoals, AL 35661
Phone -- (256) 383-4631

TUSCALOOSA Service Center

518 19th Avenue
Tuscaloosa, AL 35401
Phone -- (205) 759-2571

MAILING ADDRESSES
For Taxpayer Service Centers

AUBURN/OPELIKA Service Center
PO Box 2929
Auburn, AL 36831-2929

JEFFERSON/SHELBY Service Center
PO Box 1927
Pelham, AL 35124-1927

DOTHAN Service Center
PO Box 5739
Dothan, AL 36302-5739

GADSDEN Service Center
PO Drawer 1190
Gadsden, AL 35902-1190

HUNTSVILLE Service Center
PO Box 11487
Huntsville, AL 35814-1487

MOBILE Service Center
PO Drawer 160406
Mobile, AL 36616-1406

MONTGOMERY Service Center
PO Box 327490
Montgomery, AL 36132-7490

MUSCLE SHOALS Service Center
PO Box 3148
Muscle Shoals, AL 35662-3148

TUSCALOOSA Service Center
PO Box 2467
Tuscaloosa, AL 35403-2467

Part Two – Tax Information

Agents Occupational License Tax

Authority

Amendment 154 of the Constitution of Alabama.

Basis

A foreign corporation whose only business in Alabama is to take and hold mortgages on real property within the state is permitted to do so without qualifying as a foreign corporation.

Rate

Broker, custodian, or agent, pay \$100 for the first year for each foreign corporation represented and \$5 annually thereafter.

Payment

File Form FT 6-2 with the Alabama Department of Revenue, Individual and Corporate Tax Division, prior to engaging in loan activity.

Distribution

General Fund

Alabama Accountability Act

Authority

Acts 2013-64 and 2013-265 of the 2013 Regular Session of the Alabama Legislature.

Basis

Income tax credits for 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 using sales tax revenues deposited in the Education Trust Fund by annual transfer into the Failing Schools Income Tax Credit Account.

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 \$7,500 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 \$25 million per 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 \$25 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 Revenue Commissioner 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 Revenue Department to use to cover the income tax credits for the applicable tax year. The Revenue Commissioner 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 levy's primary purpose 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; severed materials 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, Marshall, and Wilcox counties elected to opt out, and may establish their own levies.

Payment

Tax 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 & License Tax Division, Severance & License Section, not later than the 20th day of the month following the month of transaction.

Distribution

To counties 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 5 cents per 12 fluid ounces or fraction thereof.

Local beer taxes 1.625 cents per 4 fluid ounces or fraction thereof.

Liquors & Fortified Wines 56% of cost marked up price.

Table wine containing not more than sixteen and one-half percent (16.5%) alcohol by volume 45 cents / liter (State – 38 cents; Local – 7 cents).

Table wine containing more than sixteen and one-half percent (16.5%) alcohol by volume \$2.42 / liter.

Annual license and rates based on activity and, in some application fee cases, 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.

Beer excise taxes are paid by wholesaler based on receipts.

Taxes on liquor and wine sold through state-operated 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 Dismantlers and Parts Recyclers**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.

Rate

License \$225 annually.

Payment

File application, provide applicable bond, and remit fee to the Alabama Department of Revenue, Business & License Tax Division, Severance, and License Section, by October 31. If renewing the license, payment is delinquent on November 1.

Distribution

General Fund

Aviation Fuel Tax**Authority**

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

Basis

Fuel used to propel powered aircraft.

Rate

Aviation gasoline \$.095 per gallon

Jet fuel \$.035 per gallon

Payment

Paid by 22nd of month following month of transaction to the Alabama Department of Revenue, Business & License Tax Division, Motor Fuels Section.

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 at the courthouse 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.

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:

at least	but less than	The tax rate shall be
	\$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 and return are due by March 15 for calendar year corporations and April 15 for calendar year limited liability entities.

In the case of a fiscal year filer, payment and return are due by the 15th day of the third month from the beginning of the fiscal year for corporations and the 15th day of the fourth month from the beginning of the fiscal year for limited liability entities.

Payment and return 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.

DistributionDomestic 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 and 40-13-30 through 40-13-36, Code of Alabama 1975.

Basis

Severing coal within state.

Rate

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

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

\$.335 total per ton severed.

Payment

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

Distribution

Section 40-13-5 and 40-13-6, Code of Alabama 1975.

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 \$0.135 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.

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 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. (Further amended by Amendment No. 662.)

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

Return and tax are due by March 15, or the 15th day of the third month after the end of fiscal year.

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 corporation: 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 remediating 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 12/31/2004 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 Institutions' Excise Tax**Authority**

Sections 40-16-1 through 40-16-8, Code of Alabama 1975.

Basis

Excise tax measured by net income of bank, banking association, trust company, credit card company, building, and loan association, industrial or other loan company doing business in Alabama. For tax years beginning after December 31, 1999, multistate corporations shall allocate and apportion income to the state of Alabama.

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.

Distribution

25% – General Fund

25% – counties of origin

50% – cities of origin

Forest Products' Severance Tax**Authority**

Sections 9-13-80 through 9-13-108, Code of Alabama 1975.

Basis

Severing timber or other forest products for sale, profit, or commercial use.

Rate

Pine lumber \$.50/1000' bd. meas.

Pine logs \$.75/1000' log scale or \$.10/ton

Hardwood lumber \$.30/1000' bd. meas.

Hardwood logs \$.50/1000' log scale or \$.065/ton

Pulpwood, chemical wood, bolts \$.25/cord or \$.10/ton

Crossties \$.015/piece or \$.15/ton

Switch ties \$.025/piece or \$.17/ton

Mine ties and coal mine props \$.125/100 pcs. or \$.15/ton

Pine ore mine props \$.75/1000 log scale or \$.15/ton

Hardwood ore \$.50/1000 log scale, \$3.125/m lineal mine props ft. or \$.15/ton

Piling and poles \$1.875/1000' bd. measure or \$.205/ton

Turpentine (crude gum) \$.15/400 lb. bbl.

Stumpwood (tarwood) \$.125/ton

Pulpwood chips \$.25/190 cubic feet or \$.10/ton

There is also a privilege tax of 50% of the severance tax above, against processors of forest products and manufacturers using forest products.

Payment

File with the Alabama Department of Revenue, Business & 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 Equipment Companies Tax

Authority

Section 40-21-52, Code of Alabama 1975, as limited by U.S. Congress 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

3-1/2% of 20% of the market value of the number of cars within the state during the preceding fiscal year.

Payment

File Form U3-1 with the Alabama Department of Revenue, Property Tax Division, Utilities Section, 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, Code of Alabama 1975.

Basis

Gasoline and diesel fuel sold at the terminal rack or imported into Alabama.

Rate

Gasoline: \$.16 per gal. Sec. 40-17-325 (a) (1)
(Comprised of \$.07, \$.05 and \$.04 levies)

Diesel Fuel: \$.19 per gal. Sec. 40-17-325 (a) (2)
(Comprised of \$.13 and \$.06 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 sales of dyed diesel fuel.
- (3) Gasoline blendstocks when sold to (a) a licensed supplier or (b) a person who will not be using the blendstocks 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.
- (4) 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.
- (5) 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.
- (6) Having first paid the tax owed under Section 40-17-325, Code of Alabama 1975, 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.
- (7) 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.)

The United States government or any agency thereof.

Any county governing body of this state.

Any incorporated municipal governing body of this state.

City and county boards of education of this state.

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.

Certain counties and cities levy additional gasoline and diesel fuels taxes ranging from \$.005 to \$.05 per gallon.

Payment

File and remit by the 22nd day of the month following the month of sale or other activity to the Alabama Department of Revenue, Business & License Tax Division, Motor Fuels Section.

Distribution

Gasoline – 1.23% of the \$.12 levy goes 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 the entire \$.04 gasoline levy are distributed as follows:

(1) 45% to the State Road & 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.

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

\$.13 to Department of Transportation

\$.06 as follows:

.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.

4.69% distributed equally among each of the 67 counties of the state monthly.

Balance paid to the State Treasury to be used for highway purposes by the State Department of Transportation.

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/ton: waste listed under Section 3001 of the RCRA of 1976 as amended and "PCB" waste

\$5.50/ton: all other waste

\$1.00/ton: additional fee on all wastes or substances

In addition to the above fees, Sumter County also levies \$2.00 per drum or \$5.00 per ton on waste disposed of at the Emelle disposal facility.

Payment

State Fee – File and remit to the Alabama Department of Revenue, Business & License Tax Division, Tobacco Tax 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 RCRA/PCB and All Other Wastes

First \$400,000 to the Alabama Department of Environmental Management and remainder to the General Fund to process Sumter County Guarantee. Of any remaining amount from RCRA/PCB base rate, \$500,000 to ALERT fund.

\$1.00/ton

All to Alabama Hazardous Substance Cleanup Fund

Hospital Assessment for Medicaid Tax

Authority

Sections 40-26B-72 and 40-2A-7(a)(5), 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

5.14% of the hospital's net patient revenue. Effective October 1, 2013, the rate will be 5.5% of the net patient revenue in fiscal year 2011.

Payment

Assessment amounts are to be paid in equal quarterly installments by the tenth working day of each quarter of the state's 2014, 2015 and 2016 fiscal years. This program will end after the final payment date of July 2016, unless extended by act of the legislature. Remit fees to the Alabama Department of Revenue, Sales & Use Tax Division.

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

Pay by September 25 on power sold during prior calendar year. File Form FT: 5-4 with the Alabama Department of Revenue, Sales and Use Tax Division.

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

		<u>Cost Per Stamp</u>
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

		<u>Cost Per Stamp</u>
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.

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.

Married Filing Joint			Married Filing Separate		
Alabama AGI		Standard Deduction	Alabama AGI		Standard Deduction
0	20,499	7,500	0	10,249	3,750
20,500	20,999	7,325	10,250	10,499	3,662
21,000	21,499	7,150	10,500	10,749	3,574
21,500	21,999	6,975	10,750	10,999	3,486
22,000	22,499	6,800	11,000	11,249	3,398
22,500	22,999	6,625	11,250	11,499	3,310
23,000	23,499	6,450	11,500	11,749	3,222
23,500	23,999	6,275	11,750	11,999	3,134
24,000	24,499	6,100	12,000	12,249	3,046
24,500	24,999	5,925	12,250	12,499	2,958
25,000	25,499	5,750	12,500	12,749	2,870
25,500	25,999	5,575	12,750	12,999	2,782
26,000	26,499	5,400	13,000	13,249	2,694
26,500	26,999	5,225	13,250	13,499	2,606
27,000	27,499	5,050	13,500	13,749	2,518
27,500	27,999	4,875	13,750	13,999	2,430
28,000	28,499	4,700	14,000	14,249	2,342
28,500	28,999	4,525	14,250	14,499	2,254
29,000	29,499	4,350	14,500	14,749	2,166
29,500	29,999	4,175	14,750	14,999	2,078
30,000 and over		4,000	15,000 and over		2,000

Head of Family			Single		
Alabama AGI		Standard Deduction	Alabama AGI		Standard Deduction
0	20,499	4,700	0	20,499	2,500
20,500	20,999	4,565	20,500	20,999	2,475
21,000	21,499	4,430	21,000	21,499	2,450
21,500	21,999	4,295	21,500	21,999	2,425
22,000	22,499	4,160	22,000	22,499	2,400
22,500	22,999	4,025	22,500	22,999	2,375
23,000	23,499	3,890	23,000	23,499	2,350
23,500	23,999	3,755	23,500	23,999	2,325
24,000	24,499	3,620	24,000	24,499	2,300
24,500	24,999	3,485	24,500	24,999	2,275
25,000	25,499	3,350	25,000	25,499	2,250
25,500	25,999	3,215	25,500	25,999	2,225
26,000	26,499	3,080	26,000	26,499	2,200
26,500	26,999	2,945	26,500	26,999	2,175
27,000	27,499	2,810	27,000	27,499	2,150
27,500	27,999	2,675	27,500	27,999	2,125
28,000	28,499	2,540	28,000	28,499	2,100
28,500	28,999	2,405	28,500	28,999	2,075
29,000	29,499	2,270	29,000	29,499	2,050
29,500	29,999	2,135	29,500	29,999	2,025
30,000 and over		2,000	30,000 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.

International Fuel Tax Agreement**Authority**

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

Basis

Every motor carrier who operates on any highway in Alabama a motor vehicle designed, used, or maintained for transportation of persons or property, except recreational vehicles, and which meets any of the following: a. has two axles and a gross vehicle weight or registered gross vehicle weight exceeding 26,000 pounds or 11,797 kilograms; b. has three or more axles regardless of weight; c. and is used in combination, when the weight of the combination exceeds 26,000 pounds or 11,797 kilograms 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 identification markers. 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 currently in effect for the classification of fuels, defined in Section 40-17-140, (gasoline \$0.16 and motor fuels \$0.19).

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 Motor Carrier Fuel Tax.)

International Registration Plan**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

11,797 kilograms; or has three or more axles regardless of weight; or is used in combination, when the weight of the combination exceeds 26,000 pounds or 11,797 kilograms gross vehicle or registered gross vehicle weight. Registrants are issued an apportioned license plate and a cab card.

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.

Payment

Registrations are renewed on a staggered basis from January through November. 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

Iron Ore Severance Tax

Authority

Section 40-12-128, Code of Alabama 1975.

Basis

Privilege tax levied on every person mining iron ore in Alabama.

Rate

\$.03 per ton of 2240 pounds

Payment

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

Distribution

Education Trust Fund.

Local Solid Minerals Taxes

Authority

Coosa County Act 99-544

Jackson County Acts 79-349 and 97-220

Marshall County Act 81-482

Basis

Coosa County levies a tax on sand, clay, silt, loam, dirt, gravel, rock, sand-gravel, and sand-clay. Jackson and Marshall Counties levy a tax on coal severed within their counties.

Rate

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

Payment

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

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.

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 8-1/2%. 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.

Distribution

4% tax:

75% – General Fund

25% – Bureau of Tourism and Travel

1% tax:

Special levy for Mountain Lakes Counties

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 gal. levied under Sec. 40-17-171.

\$.04 per gal levied under Sec. 40-17-220.

\$.06 per gal. total

(Eight pounds of grease equals one gallon.)

Exemption

The U.S. 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/gallon tax levied under Section 40-17-171.

Governing bodies of counties and incorporated municipalities, city and county boards of education, U.S. 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/gallon tax levied under Section 40-17-220.

Payment

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

Distribution

\$.02 revenues – General Fund

\$.04 revenues:

45% – State Road & 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-25, 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, 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 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 vehicle tag registration. The registration reinstatement fee will be \$200 for the first suspension, and the owner will be required to provide proof of current liability insurance. For subsequent registration reinstatements, the fee will be \$400 after the owner has served a four month suspension and upon presentation of proof of current liability insurance.

Payment

If, a registration reinstatement fee is due from a registrant, as detailed above, the registrant may pay the reinstatement fee directly to the Department of Revenue, at their county licensing official’s office, with the Administrative Office of Courts, or the circuit clerk of any county.

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. Fifteen percent (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.

If the fees are collected by the vehicle owner's county license plate issuing official, the Administrative Office of Courts, or the circuit clerk of any county, these entities will remit the fee, less retained fees, as prescribed by statute, to the department.

Manufactured Home Supplemental Title and Cancellation Fee

Authority

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

Basis

Fee required of owners of manufactured homes designated not more than twenty model years old:

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 by designated agents of the department. Designated agents are all county officials in Alabama who are authorized and required by law to issue motor vehicle license plates, licensed manufactured home dealers, and financial institutions that qualify.

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:

\$24.00 single wide (one transportable module)

\$48.00 double wide (two or more transportable modules)

All others:

\$48.00 single wide (one transportable module)

\$96.00 double wide (two or more transportable modules).

Manufactured homes ten years 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 \$5.00 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%, unless the manufactured home is located within the city school district, in which case this portion will go to the city school board.

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

Should the manufactured home be located outside the corporate limits of the nearest city or municipality, then this portion will go to the County General Fund.

Issuance Fee

An additional \$5.00 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 – \$1.00

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 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

Section 40-21-120 through 40-21-125, 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 nine 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 & 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 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, for which no certificate of title has been issued.
Registrants must have a certificate of title or an application for certificate of title before license plates can be issued.

Original certificate of title	\$15
Replacement certificate	\$15
Certificate after transfer	\$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 with the Alabama Department of Revenue, Motor Vehicle Division. Payment of application fees must also be remitted electronically. Designated agents are all county officials in Alabama who are authorized and required by law to issue motor vehicle license plates, licensed motor vehicle dealers who qualify, and financial institutions that qualify.

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 Dealers Off-Site License

Authority

Section 40-12-395, Code of Alabama 1975.

Basis

Any new or used motor vehicle dealer is required to obtain a license in order to conduct sales of new or used motor vehicles from locations off-site of their permanent locations.

Rate

License- \$25 per off-site sale. (Limited to three per license year.)

(A privilege license under Section 40-12-51 is needed for each offsite sale.)

Payment

File application, with the Alabama Department of Revenue, Motor Vehicle Division, 14 days prior to conducting the off-site sale.

Distribution

General Fund

Motor Vehicle Dealers, Reconditioners, Rebuilders and Wholesalers License

Authority

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

Basis

Motor Vehicle Dealer—Engaging in the business of buying, selling, exchanging, negotiating, offering, or displaying for sale motor vehicles at retail.

Motor Vehicle Reconditioner—Engaging in the business of refurbishing, repairing, or replacing damaged parts of motor vehicles to prepare for resale under the same identification as before refurbishment.

Motor Vehicle Rebuilder—Engaging in the business of making or causing to be made extensive repairs, replacements, or combination of different motor vehicles to the extent of eliminating the identity of the original motor vehicle.

Motor Vehicle Wholesaler—Engaging in the business of buying, selling, or exchanging motor vehicles at wholesale.

Rate

License – \$10 annually per type of activity.

Each additional place of business – \$5.

(A retail or wholesale dealer is required to purchase a privilege license under Section 40-12-51 for each location.)

Payment

File application, with applicable bond, insurance certificate, and other documents (i.e. picture of location, proof of landline telephone) with the Alabama Department of Revenue, Motor Vehicle Division, by October 1.

Distribution

General Fund

Motor Vehicle Registration Fees

Authority

Sections 40-12-240 through 40-12-302 and 32-6-51 through 32-6-660, 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
Hearse 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 county license plate-issuing official in county of residence (if an individual) or where the vehicle is principally used (if a business).

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

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

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

Distribution

The first \$10 of passenger car and pickup truck registration fees and the first \$8 of motorcycle registration fees are distributed to the state’s general fund for use by the Public Safety Department for enforcing traffic and motor vehicle laws. The remainder is divided evenly between the “additional” and “base” amounts and distributed as follows:

Balance:

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

Annual rate of \$1,899.96 per year for each bed in the facility and a supplemental rate of \$1,603.08 for each bed in the facility. Act 2013-240 amends Section 40-26B-21, as last amended by Act 2012-536, to extend the current supplemental privilege assessment and monthly surcharge on nursing facilities to August 31, 2015. For periods beginning September 1, 2011 and ending August 31, 2015, the supplemental privilege assessment will be \$1,603.08, annually, for each bed in the nursing facility. Beginning with the monthly payment for the supplemental privilege assessment due on September 20, 2012, the monthly surcharge will be \$43.75 per licensed 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 & 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 & 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 & 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 & 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 & License Tax Division, Tobacco Tax 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 fourth month following the close of the partnership's accounting period. File 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-8, 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

Playing Cards Tax**Authority**

Section 40-12-144, Code of Alabama 1975.

Basis

A privilege tax imposed on the storage, sale, use, or consumption of packaged playing cards containing not more than 54 cards to the deck or package.

Rate

\$.10 per package or deck of playing cards.

Payment

Order stamps from the Alabama Department of Revenue, Business & License Tax Division, Tobacco Tax Section.

Distribution

General 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

Seventy cents (\$0.70) per retail transaction occurring in this state. Effective October 1, 2013, the per retail transaction occurring in this state increases to \$1.60.

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.

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 the books of assessment.

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

Class I -- all utility property used in 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; 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

Homesteads, not to exceed 160 acres, whose owners are less than 65 years of age, are exempt from state property tax up to \$4,000 of assessed value. County exemptions vary from \$2,000 to \$4,000 of assessed value for the regular homestead.

The first \$2,000 exemption applies to county property taxes, except county wide and school district taxes. An optional exemption not to exceed \$4,000 may be granted to county and municipal taxes, provided county wide school district or municipal school district property exemptions are approved by resolution of the governing body and school system boards.

Homesteads whose owners are 65 years of age or older, with an annual adjusted gross income of less than \$12,000 as shown on the most recent state income tax return or who are retired due to permanent and total disability, regardless of age, or who are blind regardless of age or income, or whether such person is retired, shall be exempt on the first \$5,000 of assessed value for county taxes.

Those owners, who are 65 years of age or older, with a net annual taxable income for the person claiming the exemption and that of his or her spouse of \$12,000 or less, as shown on such person’s and spouse’s latest United States income tax return, or who are retired because he or she is permanently and totally disabled regardless of age or income shall be exempt, upon proper qualification, from all state, county, and city property taxes on their primary residence and up to 160 acres thereto.

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

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

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.
1-1/2% 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 whose total state rental tax liability for the preceding calendar year averaged less than \$200 per month may elect to file and pay state rental tax on a calendar quarter basis (Prior approval required).

Taxpayers whose total state rental tax liability for the preceding calendar year was \$10 or less may file and pay state rental tax on a calendar year basis (Prior approval required).

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

Distribution

General Fund

Restored (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 state with submission of application for inspection form (INV 26-15) plus title fee of \$15.00 and supporting documents. Submitted to the Inspections Section of the Alabama Department of Revenue, Investigations Division.

Distribution

\$75.00 -- To the Alabama Department of Revenue for "personnel and maintenance costs of the vehicle inspection program."

\$15.00 -- Title fee to the 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.

1-1/2% selling price of machinery used in mining or manufacturing tangible personal property.

1-1/2% 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 whose total state sales tax liability for the preceding calendar year averaged less than \$200 per month may elect to file and pay state sales tax on a calendar quarter basis (prior approval required).

Taxpayers whose total state sales tax liability for the preceding calendar year was \$10 or less may file and pay state sales tax on a calendar year basis (prior approval required).

Quarterly 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 \$1,000 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.

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 & License Tax Division, Motor Fuels 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.

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

One dollar (\$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.

One dollar (\$1) per ton or twenty-five cents (\$0.25) 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.

Twenty-five cents (\$0.25) per cubic yard for all waste disposed of in a private solid waste management facility, not to exceed one thousand dollars (\$1,000) per calendar year.

Payment

File a quarterly report and remit to the Alabama Department of Revenue, Business & License Tax Division, Tobacco Tax 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 & License Tax Division, Tobacco Tax 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 & 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 deposits (quarterly/yearly) into the account based on its cigarette and roll-your-own distributions into the State, and file quarterly/yearly 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. 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 (NPM) allowed to make yearly certifications are to make escrow deposits by April 15. Non-participating manufacturers on the quarterly basis are to make 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 and distributor failure to timely file penalties: 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

42.5¢ on each package of 20 cigarettes. On other tobacco products such as cigars, cigar wrappers, smoking tobacco, chewing tobacco, and snuff, rates vary, depending on weight or retail selling price of the package.

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 & License Tax Division, Tobacco Tax Section, by the 20th of the month for the stamps 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.

Distribution

Cigarettes

38.82% 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"

61.18% as follows:

\$2 million to counties to offset administrative expenses

Balance--General Fund for Medicaid services

Other Tobacco Products 100% – General Fund

TVA Electric Payment

Authority

Sections 40-28-1 through 40-28-4, Code of Alabama 1975.

Basis

The Tennessee Valley Authority (TVA) makes annual payments to Alabama, in lieu of taxes, under federal law 16 USC, 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 \$0.02 per gallon, nor less than \$0.003 per gallon as determined by the Alabama Environmental Management Commission and the Trust Fund Management Board. The current rate is \$0.01 per gallon.

Payment

File returns and remit charge to the Alabama Department of Revenue, Business & License Tax Division, Tobacco Tax 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 0.59% 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 and 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.

1-1/2% of selling price of machinery used in mining and manufacturing.

1-1/2% 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 whose total state use tax liability for the preceding calendar year averaged less than \$200 per month may elect to file and pay state use tax on a calendar quarter basis (Prior approval required).

A taxpayer whose total state use tax liability for the preceding calendar year was \$10 or less may file and pay state use tax on a calendar year basis (Prior approval required).

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. Effective October 1, 2011, Act No. 2011-642 provides that

only for fiscal years ending September 30, 2012 and September 30, 2013, the \$1 million normally disbursed to the Coastal Programs will instead be disbursed to the State General Fund. Act No. 2012-599 provides that effective October 1, 2012, 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 25% 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

The tax is:

respecting a person are:

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, 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. 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.

Rate

\$.0075 per gallon of diesel fuel.

Payment

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

Distribution

General Fund

Distribution of Taxes/Fees Collected by the Alabama Department of Revenue

DIV	Tax Source	General	Education	Road & Bridge	Counties	Cities	Mental Health	Health	Conservation	Human Resources	Other
IT	Alabama Accountability Act										(37)
BLT	Alabama Uniform Natural Minerals Tax										(28)
BLT	Automotive Dismantler License	ALL									
MV	Automotive Recon/Rebuild Fee	ALL									
IT	Business Privilege Tax	(24)									
BLT	Coal Severance Tax				(14)	(14)					(14)
ST	Contractor's Gross Receipts Tax							85%			(24)
IT	Corporate Income Tax	(4)	BAL (4)								
PT	Deeds and Assignments	38.461% (34)	46.154% (34)							15.385% (34)	
ST	Dry Cleaning Trust Fund Fee										ALL
IT	Estate Tax	ALL									
IT	Financial Institutions' Excise Tax	25%			25%	50%					
BLT	Forest Products' Severance Tax										(2)
PT	Freight Line R.R. Equipment Tax	ALL									
BLT	Gasoline Tax			(3)	(3)	(3)			(3)		
BLT	Gasoline Aviation and Jet Fuel										(17)
BLT	Hazardous Waste Fee	(22)			(22)						(22)
ST	Hospital Assessment for Medicaid										(31)
BLT	Horse Wagering Fee	ALL									
ST	Hydro-Electric K.W.H. Tax		42%					58%			
IN	Illegal Drug Tax	ALL									
IT	Income Tax	(4)	BAL (4)								
MV	International Fuel Tax Agreement			(16)	(16)	(16)					(18)
MV	International Registration Plan			(13)	(13)	(13)					(18)
BLT	Iron Ore Severance Tax		(33)								
BLT	Local Solid Minerals Tax										(28)
ST	Lodgings Tax	(12)			(12)						(12)
MV	Mandatory Liability Insurance (MLI)	(30)									(30)
MV	Manufactured Home Supplemental Title and Cancellation Fee	ALL									(36)

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

Distribution of Taxes/Fees Collected by the Alabama Department of Revenue Contd.

DIV	Tax Source	General	Education	Road & Bridge	Counties	Cities	Mental Health	Health	Conservation	Human Resources	Other
ST	Medicaid Nursing Facility Tax										(21)
ST	Medicaid Pharmaceutical Services Tax										(21)
ST	Mobile Telecommunications Services Tax	(25)	(25)								(25)
BLT	Motor Carrier Fuel Tax			(16)	(16)	(16)					
BLT	Motor Carrier Mileage Tax			BAL (5)							
BLT	Motor Fuels (Diesel)			(27)	(27)	(27)					
MV	Motor Vehicle Registration Fee			(13)	(13)	(13)					
MV	Motor Vehicle Title Fee	ALL									
BLT	Oil and Gas Privilege Tax	(6)			(6)	(6)					
BLT	Oil and Gas Production Tax (2%)	ALL									
BLT	Oil Lubricating Tax	(7)		(7)	(7)	(7)					
BLT	Oil Wholesale License Tax	ALL									
BLT	Pari-Mutuel Pool Tax	ALL									
BLT	Playing Cards Tax	ALL									
ST	Prepaid Wireless 9-1-1 Charge										(35)
ST	Rental or Leasing Tax	ALL									
ST	Sales Tax	(19)	BAL		\$378,000					\$1,322,000	
IN	Salvage Vehicle Inspection Fee										(15)
BLT	Scrap Tire Environmental Fee										(26)
BLT	Solid Waste Disposal Fee										(32)
BLT	Store License		ALL								
BLT	Tobacco Products (Cigarettes) Tax	66.67% (29)					9.09% (29) (10)	12.12% (29) (9)	6.06% (29)	6.06% (29)	(29)
BLT	Tobacco Products (Tobacco) Tax	ALL									
FO	TVA Electric	BAL			(8)						
BLT	Underground and Aboveground Storage Tank Trust Fund Charge	(23)								(23)	
ST	Use tax	(20)	BAL								
ST	Utility Gross Receipts Tax		BAL				\$14,600,000				
ST	Utility License Tax (2.2%)	15%					85%				

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

References to Distributions of Taxes/Fees

- (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 16-cent per gallon tax levy comprised of a 7 cent levy, 5 cent supplemental levy, and a 4-cent levy. 1 & 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 & Bridge Fund and 2/5 is distributed as follows: 45% State Road & Bridge Fund and 55% to counties of which 10% of the counties' share is distributed to the cities. Additional 4-cent tax levy - 100% of net collections (45% goes to the State Road & Bridge Fund and 55% goes to counties of which 10% of the counties' share is distributed to the cities).
- (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 severed, 2%, cities; 16-2/3%, General Fund; 16-2/3%, Counties severed.
Offshore Production: 90%, General Fund; 10%, counties severed.
- (7) 1935 Act - 2 cents to the General Fund
1980 Act - 4 cents: 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 & Bridge Fund, 72% Public Road & Bridge Fund, 21 % City or County, 7% Cities & Counties. Additional fee distribution: 64.75% Public Road & 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.

Account, set up in the Education Trust Fund, to qualifying parents.

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

Agency Directory for Tax Numbers

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

Request Form COM: 101 from the following address:

Alabama Department of Revenue
Central Registration Unit
50 N. Ripley Street
Room 4301 Gordon Persons Building
Montgomery, AL 36132
334-242-1170

Form COM: 101 and Electronic Combined Registration/Application
are also available on the department's web site at:

www.revenue.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 in order 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 sales tax return and payment due. Annual sales tax return and payment due. Quarterly use tax return and payment due. Annual use tax return and payment due. Quarterly rental or leasing tax return and payment due. Annual rental or leasing 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 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.
February	10 Quarterly NPM certification and bank verification due.
	28 Annual withholding return due.
March	1 Freight line equipment return due. Public utility property tax return delinquent after this date.
	15 Corporate income tax return and information return due (for calendar-year taxpayers). Business Privilege Tax return.
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. Financial institutions' excise tax return and payment due. Business Privilege tax return due for limited liability entities. 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 third 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 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.
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 sales tax return and payment due.
		Quarterly use tax return and payment due.
		Quarterly rental or leasing 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.
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.
	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 fuel identification markers issued.
		Motor vehicle dealers, reconditioners, rebuilders and wholesalers' license due.
Note: Effective Oct. 1, 2003, dealer license plates and manufacturer license plates will be issued through county license plate issuing officials.		
		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 Solid Waste Disposal Fee return and payment due.
		Quarterly use tax return and payment due.
		Quarterly rental or leasing tax 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.

December	30	Last day to register and pay fee for manufactured homes without penalty.
	15	Fourth installment of estimated corporate income tax due (for calendar-year taxpayers).
	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. Last day to claim Exemptions/Abatements on Ad Valorem tax assessments.

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. Contractors gross receipts tax return and payment due. Iron ore severance tax return and payment due. Local solid minerals tax returns and payments due. Lodgings tax (state and local) return and payment 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. 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. Tobacco tax (state and county) return, reports 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.
22	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.

Part Three – Revenue Legislation

General Revenue Related Acts 2013 Regular Session

Act 2013-08 (HJR 17)

Extends Capital Credits and Tax Abatements

This act is a House Joint Resolution that continues the capital credits and abatements authorized by Article 7 of Chapter 18, Title 40, Code of Alabama 1975, and by Act 2012-54, now appearing as Sections 40-9B-3 (abatements) and 40-18-190 (tax credits); credits and abatements are extended until December 31, 2018.

Effective Date: February 20, 2013

Act 2013-34 (SB 49)

Rebates Certain Qualified Production Expenses; Retroactive to June 14, 2011

This act amends Section 41-7A-43; amends Act 2012-212 (Entertainment Act of 2009) that disconnected the income tax refund from the tax law's rebate for production companies approved for the film rebate; the first \$20 million of production expenditures expended in Alabama on a state-certified production is eligible to be used for rebate calculations; the rebate is equal to 25% of the state-certified production's production expenses, excluding payroll paid to Alabama residents, plus 35% of payroll paid to Alabama residents for the state-certified production, provided production expenses are at least \$500,000; does not increase any caps in the existing law; if production cost exceeds the company's tax liability then the difference is refunded to the company; retroactively effective to June 14, 2011.

Effective Date: March 1, 2013. This act is retroactively effective to June 14, 2011.

Act 2013-51 (SB 96)

Major 21st Century Manufacturing Zone Act

This act amends Sections 11-99-1, 11-99-2, 11-99-4, 11-99-5, 11-99-6, and 11-99-8; authorizes a municipality to designate certain real property a "Major 21st Century Manufacturing Zone" as a tax increment district; a Major 21st Century Manufacturing Zone is defined as any area aggregating not less than 250 contiguous acres of real property determined by a municipality to be: 1) located, in whole or part, within its boundaries or corporate limits, 2) suitable for the site of an automotive, automotive-industry related, aviation, aviation-industry related, medical, pharmaceutical, semiconductor, computer, electronics, energy conservation, cyber technology, or biomedical industry manufacturing facility or facilities, and 3) an area within which not less than one hundred million dollars (\$100,000,000) of capital expenditure in connection with the establishment, expansion, construction, equipping, development, rehabilitation, or redevelopment of the facility or facilities is anticipated to be made based upon representations and information provided by the anticipated user or users of the facility or facilities and other information the local governing body will have available to it and deemed appropriate; the tax increment base must be determined once the district is created; the tax increment base is defined as the aggregate value, as equalized by the ADOR, of all taxable property located within the tax increment district on the date the district is created; each October 1 following the creation of a tax increment district, the equalized value of all taxable property in the district is determined; if the tax increment base is less than the equalized value of all taxable property in the district, the positive tax increment (additional taxes above the base year taxes) is paid over to the public entity that created the district.

Effective Date: March 6, 2013. The provisions of this act will apply to any tax increment district created before the effective date of March 6, 2013, provided that the tax increment district is created on or after April 1, 2013, and not less than 50 % by area of the real property within the tax increment district is a Major 21st Century Manufacturing Zone.

Act 2012-64 (HB 84)

Alabama Accountability Act of 2013

This act establishes the Alabama Accountability Act of 2013, relating to public K-12 education; authorizes the establishment of innovative schools and school systems in the state; provides legislative findings and purposes; provides an overview; authorizes the State Board of Education to enter into school flexibility contracts with local school systems; requires the local board of education to submit a document of assurance; requires the State Board of Education to promulgate rules and regulations relating to innovative school systems; requires local school systems to submit an innovation plan to the State Department of Education in order to qualify for innovation status; provides a refundable income tax credit for parents of students enrolled in or assigned to attend a failing public K-12 school in Alabama to offset the cost of transferring to a non-failing public school or a private school; the credit is limited to 80% of the annual state cost of attendance for a public K-12 student during the applicable tax year; provides a credit for individual and corporate contributions to organizations that provided education scholarships to qualifying schools; the tax credit claimed by an individual or a married couple filing jointly is equal to the total contribution to the scholarship organization up to 50% of the tax liability but limited to \$7,500 per taxpayer/couple; the credit claimed by a corporate taxpayer is equal to 50% of total contributions to the scholarship organization up to 50% of the tax liability; the cumulative amount of this credit cannot exceed \$25 million per year; the credit can be carried forward for three years; the income tax credits will be paid by sales tax revenues deposited in the Education Trust Fund by means of an annual transfer authorized by the Comptroller into an income tax credit account; the transfer of monies between funds will be handled between the Revenue Department's Financial Operations Division and the State Comptroller's Office; provides for oversight of participating schools; provides for the responsibilities of the Department of Revenue; provides for an effective date.

Effective Date: March 14, 2013. The tax credit provided in Section 9 may be first claimed for the 2013 tax year.

Act 2013-66 (SB 204)

Allows Income Tax Credit for the Purchase and Installation of Irrigation Systems to be Carried Forward Five Years

This act amends Section 40-18-342; provides technical corrections to Section 40-18-342; provides for changes to the annual flow rate of rivers or streams excepted from the qualified reservoir requirement; allows the income tax credit to be carried forward five years; allows shareholders a pro rata share of the credit claimed by certain business entities.

Effective Date: June 01, 2013

Act 2013-67 (SB 108)

Creates the Alabama State Law Enforcement Agency

This act amends Sections 41-9-592 and 41-9-593, which relate to the Criminal Justice Information Center Commission; creates the Alabama State Law Enforcement Agency, and the secretary for the Alabama State Law Enforcement Agency who will also be the chairman of the Criminal Justice Information Commission; the secretary for the Alabama State Law Enforcement Agency will be appointed by the governor and the salary for the secretary of the Alabama State Law Enforcement Agency will be set by the governor, and will not be subject to Section 36-6-6; duties of the Alabama State Law Enforcement Agency will include coordinating various law enforcement and investigative services, and serve as Homeland Security Advisor for Alabama; creates the State Bureau of Investigations that will assume the duties of the Alabama Bureau of Investigations; a director will be appointed to this agency by the secretary of the Alabama State Law Enforcement Agency through the governor; the director's salary will be set by the secretary of the Alabama State Law Enforcement Agency; creates a new division within the Department of Public Safety; creates a director for this agency appointed by the secretary of the Alabama State Law Enforcement Agency; creates the Public Safety Fund which will consist of monies appropriated for support of the functions of the secretary of the Alabama State Law Enforcement Agency, the Department of Public Safety, and the State Bureau of Investigations; transfers

certain enforcement and investigative functions of certain agencies to the State Bureau of Investigations; transfers all functions of the Alabama Homeland Security to the secretary of the Alabama State Law Enforcement Agency; transfers certain enforcement functions of certain agencies to the Department of Public Safety; requires the Code Commissioner to make conforming changes in the Code of Alabama 1975.

Effective Date: March 19, 2013. Sections 1 and 2 become effective March 19, 2013. The remainder of the act becomes effective on January 1, 2015.

Act 2013-68 (SB 117)

Creates the Office of Secretary of Information Technology; Establishes Permanent Legislative Oversight Committee on Information Technology

This act repeals Sections 16-61D-1 through 16-61D-6, relating to the Office of Information Technology; amends Section 41-4-221, relating to the duties of the Division of Data Systems Management, by deleting subdivisions (1) and (2); creates the Office of Secretary of Information Technology; establishes a Permanent Legislative Oversight Committee on Information Technology; creates a committee to recommend to the Governor a person to serve as the Secretary of Information Technology and provide for its membership; as a result of this act the Department of Revenue may lose ownership of the servers it created for its Gentax system; if IRS deems this act as being too risky for protecting federal tax information, the Department of Revenue could lose the use of this information which will result in the loss of millions of dollars in revenue collected each year using federal tax information.

Effective Date: March 19, 2013

Act 2013-88 (HB 101)

The Red Tape Reduction Act

This act adds Sections 41-22-5.1 and 41-22-5.2; requires an agency proposing to adopt, amend or repeal an administrative rule that has an adverse impact on a business to prepare and file a Business Economic Impact Statement with the Joint Committee on Administrative Regulation Review, or its successor, prior to the adoption of the rule if a business notifies the agency that it will be negatively impacted by the proposed rule; impact statements must contain the number of businesses subject to the agency's proposal as well as the projected reporting, recordkeeping, and other administrative costs required for compliance with the proposal; an impact statement is required to be filed at the time the proposed rule is certified with the Legislative Reference Service; once the rule is certified, an agency must also place the statement on the agency's website in a location easily accessible by the general public; agencies must notify any person electronically who has registered with the agency his or her desire to receive notification of any proposal to adopt, amend or repeal an agency rule; agencies must review all administrative rules every five years; if the head of the agency determines that completion of the review of existing rules is not feasible within five years of the effective date of this act, the agency will publish a statement certifying that determination; requires an agency, once the agency files a notice of intent to adopt, amend, or repeal a rule, to notify the public of the proposed action by posting the text of the rule on its website; agencies determined by the joint committee or its successor to exist primarily to perform certification or licensing-related functions are not required to comply with the provisions of Section 41-22-5.1 unless the joint committee or its successor determines in writing that an agency's proposal requires an impact statement; any agency or department will fulfill any request for a license or permit within 28 calendar days after receiving the application or notify applicant of the reason for non-issuance of the request.

Effective Date: July 1, 2013

Act 2013-173 (SB 100)

Transfers Certain State Funds to General Fund FY 2014 and Future Fiscal Years

This acts provides for the transfer of certain state funds into the State General Fund to help offset the costs of services provided by agencies which receive appropriations from the State General Fund, beginning with the fiscal year ending September 30, 2014, and each fiscal year thereafter; departments affected are the Alabama Alcoholic Beverage Control Board, the Department of Conservation and Natural Resources, the Department of Environmental Management, the Department of Finance, the Department of Insurance, the Department of

Labor, the Manufactured Housing Commission, the State Personnel Department, the Public Service Commission, the Department of Revenue, the Securities Commission, the Alabama Surface Mining Commission and the Alabama Tourism Department.

Effective Date: October 1, 2013

At 2013-174 (HB 181)

Lowers State and Local Combined Fee for Disposal of Hazardous Waste/Substances

This act amends Sections 22-30-4, 22-30B-2, 22-30B-2.1, 22-30B-4, and 22-30B-4.; lowers state and local combined fee for the disposal of hazardous waste and substances to \$5.50 per ton; eliminates fee specific rates which applied to other specific wastes; eliminates the disparity in fees for the Emelle facility compared to any other facility; provides that the first \$400,000 of collections which is designated for the general fund be appropriated to the Alabama Department of Environmental Management; eliminates the \$1.90 and \$0.50 per ton fees which are collected by the county; funds guaranteed to any county, as stated in Section 22-30B-2.1, of \$.40 per ton will be expended for health purposes and the remainder for purposes as may be appropriated by local act; no county benefitting from the funds stated in Section 22-30B-2.1 will enact any local law levying an additional fee to be paid by the operators of commercial sites for the disposal of hazardous waste or hazardous substances.

Effective Date: June 1, 2013

Act 2013-190 (SB 18)

Distinctive Motorcycle License Plate for Breast Cancer Research

This act creates a distinctive breast cancer research motorcycle license plate; the fee for the license plate is the annual motorcycle fee (\$15) plus an annual additional fee (\$50); license plates are valid for five years; the additional fee will be distributed in accordance with Section 32-6-68.

Effective Date: January 1, 2014

Act 2013-196 (HB 216)

Use Tax Exemption for Parts, Components, and Systems which Become Part of Fixed or Rotary Wing Military Aircraft or Certified Transport Category Aircraft

This act amends Section 40-23-62; allows a corresponding use tax exemption for parts, components, and systems that become a part of a fixed or rotary wing military or certified transport category aircraft which undergoes conversion, reconfiguration, or general maintenance so long as the address of the aircraft for FAA registration is not in this state; exemption begins for the period commencing October 1, 2012, and ends May 30, 2022, unless extended by joint resolution of the Legislature; exemption will not apply to a local use tax unless previously exempted by local law or approved by resolution of the local governing body; retroactive for the fiscal year beginning October 1, 2012.

Effective Date: May 8, 2013. Retroactive for the fiscal year beginning October 1, 2012, and continuing thereafter following its passage and approval by the Governor, or its otherwise becoming law, and any use tax exemptions provided in conformance with this act prior to the enactment of this act are ratified and confirmed.

Act 2013-200 (HB 279)

Provides for Refunds of Excise Tax Paid on Purchases of Jet Fuels; Purchases of Aviation Jet Fuel Made by Certain Air Carriers Exempt from Sales Tax; Use, Storage or Consumption of Certain Aviation Jet Fuel Exempt from Use Tax

This act amends Sections 40-17-329, 40-23-4, and 40-23-62; provides for a refund of excise tax paid on purchases of aviation jet fuel made by certified or licensed air carriers conducting all-cargo operations engaged in international flights; exempts purchases of aviation jet fuel made by these carriers from sales tax, and exempts the use, storage or consumption of this jet fuel from use tax; adds definitions for "air carrier", "all-cargo operations", "international commerce" and "international flights".

Effective Date: May 8, 2013. The provisions of this act are retroactive to October 1, 2012.

Act 2013-205 (HB 419)

Certain Contractors and Subcontractors Granted Certificates of Sales and Use Tax Exemption to Purchase Building and Construction Materials

This act provides a sales and use tax exemption for contractors and subcontractors on purchases of building materials and construction materials to be included in construction projects of governmental entities; the language found in Section 1. (a) states that the term "governmental entity" means the State of Alabama and its political subdivisions, including a county, a municipality, and an industrial or economic development board or authority; a governmental entity also includes an educational institution of any of the foregoing Alabama political subdivisions including a public college or university, a county or a city board of education, and the State Board of Education; provides that the Revenue Department will issue exemption certificates to the contractors and subcontractors licensed by the State Licensing Board for General Contractors for the purchase of building materials, construction materials and supplies, and other tangible personal property to be used or included pursuant to a written contract in the construction of a building or other project for and on behalf of a governmental entity which is exempt from the payment of sales and use taxes; requires any contractor or subcontractor purchasing any tangible personal property pursuant to a certificate of exemption to maintain accurate cost accounting of the purchase and use of the property in the construction of the project; allows the Revenue Department to assess any contractor or subcontractor with sales or use taxes on any item purchased with a certificate of exemption that is not properly accounted for and further authorizes the department to levy a civil penalty in the amount of two times any sales or use tax due on the property on any contractor or subcontractor who intentionally uses a certificate of exemption in violation of this act; the Revenue Department may, based on the severity of the violation, bar those who misuse a certificate of exemption issued pursuant to this act from the use of any certificate of exemption on any project for up to two years.

Effective Date: October 1, 2013. For contracts entered into on January 1, 2014, and thereafter. This act will not apply to any contract entered into prior to January 1, 2014, nor to change orders or contract extensions, including revised, renegotiated, or altered contracts, when the original contract was entered into prior to January 1, 2014.

Act 2013-224 (SB 144)

Release of Liens on Vehicles which are 12 or More Model Years Old

This act amends Section 32-8-64.2, as last amended by Act 2011-633, 2011 Regular Session; provides for the release of certain liens after four years from the date of the security agreement as recorded on the certificate of title for vehicles which are 12 or more model years old.

Effective Date: August 1, 2013

Act 2013-240 (HB 562)

Extends Current Supplemental Privilege Assessment and Monthly Surcharge on Nursing Facilities to August 31, 2015

This act amends Section 40-26B-21, as last amended by Act 2012-536 of the 2012 Regular Session; extends the current supplemental privilege assessment and monthly surcharge on nursing facilities to August 31, 2015; for period of September 1, 2011 to August 31, 2015, the supplemental privilege assessment will be \$1,603.08, annually, for each bed in the nursing facility; beginning with the monthly payment for the supplemental privilege assessment due on September 20, 2012, the monthly surcharge due with each supplemental privilege assessment payment will be \$43.75 per month.

Effective Date: May 15, 2013

Act 2013-241 (HB 140)

Tax Credit against Tax Liability of Taxpayer for Rehabilitation, Preservation and Development of Historic Structures

This act provides for a tax credit to be approved by the Alabama Historic Commission and administered by the Department of Revenue; the non-transferable credit is available for use against the taxes codified in Chapter 16

and Chapter 18 of Title 40 of the Code of Alabama 1975; the amount of credit granted will be computed by the Alabama Historic Commission; the commission will issue the taxpayer a tax credit certificate in an amount equal to the lesser of: 1) the amount of tax credit reservation issued for the project, or 2) 25% of actual qualified rehabilitation expenditures for certified historic structures and 10% of the actual qualified pre-1936 non-historic structures; the tax credit will not exceed \$5,000,000 for all allowable property types except a certified historic residential structure, and \$50,000 for a certified historic residential structure; the aggregate amount of credits in any tax year will not exceed \$20,000,000; any unused portion of the credit may be carried forward for 10 years; the credits granted to any pass through entity, the as a LLC, LLP, etc. can be passed through to the members of the pass through entity; tax credits authorized by this act will not be available to owners of qualified structures that submit an application and rehabilitation plan three years following the effective date of this act; applications for the reservation of tax credits will be accepted beginning October 1, 2013, but no tax credit may be credited prior to the taxpayer's return for the taxable year 2014.

Effective Date: May 15, 2013.

Act 2013-246 (HB 605)

Extends Private Hospital Assessment and Medicaid Funding Program for Fiscal Years 2014, 2015 and 2016

This act amends Sections 40-26B-70, 40-26B-71, 40-26B-73, 40-26B-77, 40-26B-78, 40-26B-80, 40-26B-82, 40-26B-84, 40-26B-88; adds Section 40-26B-77.1 to Article 5, Chapter 26B of the Code of Alabama 1975; extends the private hospital assessment and Medicaid funding program for fiscal years 2014, 2015 and 2016; changes the base year to fiscal year 2011 for purposes of calculating the assessment; provides for a change in the rate imposed from 5.14% to 5.5% of net patient revenue in fiscal year 2011; provides that, beginning on October 1, 2013, state-owned and public hospitals will make intergovernmental transfers to the Medicaid Agency to be used to fund payments for inpatient and outpatient care; provides that state-owned and public hospital certified public expenditures will be for the hospital's uncompensated care and will be used to pay the hospital its disproportionate share payments.

Effective Date: October 1, 2013

Act 2013-249 (SB 38)

Expands Definition of "Agreement" to Include Agreement between the Alabama Land Bank Authority and a Local Authority

This act amends Sections 24-9-4, 24-9-5, 24-9-6, 24-9-7, 24-9-8, and 40-10-132; relating to the Alabama Land Bank Authority; expands the definition of the term "agreement" to include an agreement between an authority and a local authority; defines the term "local authority" as an authority created by a county or municipality for the purpose of transferring property to the land bank authority; allows the land bank authority to institute a foreclosure action; acquires title to property by purchase, donation, exchange, or otherwise provides the procedure to institute a foreclosure action; allows the land bank to submit a request to the Land Commissioner of the State of Alabama for transfer of the state's interest in tax delinquent properties that have been held by the state for at least five years; provides the procedure for conveyance or disposition of properties or the rights or interests of properties held by the land bank authority; adds a new Section 24-9-10 to Chapter 9, Title 24 of the Code of Alabama 1975, to provide for the creation of local land bank authorities, if the number of tax delinquent properties in a county or municipality exceeds 1,000.

Effective Date: August 1, 2013

Act 2013-251 (SB 200)

Distinctive License Plates; Distribution of Additional Fee to the Department of Senior Services

This act amends Section 32-6-68; redirects the \$5.00 annual fee paid to the State Comptroller for deposit in the "penny trust fund account" to an account maintained by the Department of Senior Services, for a program entitled "John L. Buskey Senior Meals Program"; funds deposited in the account are continuously appropriated to the department for the purpose of subdivision 32-6-68(b) (4).

Effective Date: August 1, 2013

Act 2013-265 (HB 658)

Revisions to the Alabama Accountability Act of 2013

This act amends Sections 4, 5, 8 and 9 of the Alabama Accountability Act of 2013, Act 2013-64, 2013 Regular Session; revises definitions for "educational scholarships", "failing school", and "qualifying school"; provides for the calculation of tax credits for parents of students enrolled in or assigned to attend a failing school; provides for retention of certain funds by a failing school; provides for treatment of students with disabilities; no public or nonpublic school will be required to enroll a student; prohibits discrimination; provides that nothing in Sections 8 and 9 of the Alabama Accountability Act authorizes the violation of or supersedes the authority of any court ruling that applies to the public school, school system, or school district, specifically any federal court order related to the desegregation of the local school system's student population; the tax credit provided in Section 9 of the Alabama Accountability Act may be first claimed for the 2013 tax year but may not be claimed for any tax year prior to the 2013 tax year; revises the tax credit for corporate donors to scholarship programs so that they can claim 100% of contributions made to scholarship granting organizations during the taxable year for which the credit is claimed up to 50% of their tax liability; provides for retroactive effect; further provides for the manner of payment of scholarships; provides that unclaimed scholarship funds as of September 15th of each year be made available to low income students regardless of whether the student is assigned to a failing school.

Effective Date: May 20, 2013. The provisions of the act are retroactive to March 14, 2013.

Act 2013-271 (SJR 22)

Requests the U.S. Congress to Work to Permanently Abolish Estate Tax

This act is a Senate joint resolution, with both houses concurring, which requests the U.S. Congress work to permanently abolish the estate tax.

Effective Date: May 21, 2013

Act 2013-282 (SB 57)

Allows Department of Transportation Office of Fleet Management to Develop Statewide Fleet Management Program

This act amends Sections 23-1-50.1 and 41-17A-6; repeals Chapter 17, Title 41 of the Code of Alabama 1975, effective October 1, 2014, regarding the purchase, lease, operation and maintenance of state motor vehicles; allows the Department of Transportation Office of Fleet Management to review state department and agency green fleets plans on an annual basis; the Department of Transportation Office may develop a fleet management program for the state which will operate in a similar manner as the department's Equipment Management Program; all personnel, facilities, property, equipment, and funds assigned, allocated or appropriated to the Department of Finance, Division of Service, for the operation of a transportation pool or the maintenance and repair of state-owned or operated automobiles will transfer to the Alabama Department of Transportation, effective October 1, 2014.

Effective Date: May 21, 2013. Chapter 17, Title 41, Sections 41-17-1 to 41-17-9 are repealed, effective October 1, 2014.

Act 2013-283 (SB 286)

Organizers of Gun Shows Remit Maximum License Tax for Gun Shows Lasting No More than Seven Days

This act amends Section 40-12-143 to include language which allows organizers of gun and knife shows to conduct a show for no more than seven days by remitting the maximum license tax required for Section 40-12-143 (pistols, revolvers, bowie and dirk knives, etc.), Section 40-12-158 (shotguns, rifles, etc.) and Section 40-12-174(d) (transient vendors licenses); the organizer of the event is responsible for ensuring that each participant has the proper sales tax license and if the participant is not properly licensed, collecting and remitting the sales tax for the participant; if the organizer fails to purchase the appropriate licenses prior to the

event, each participant must purchase its own licenses; organizers are required to provide a list of the participants to the county and municipality in which the show is held.

Effective Date: August 1, 2013.

Act 2013-295 (HB 19)

Homestead Exemption Restored for Disabled Regardless of Income; Homestead Exemption for People 65 and Older Further Provided for Based on State Taxable Income

This act amends Sections 40-9-19, 40-9-21, and 40-9-21.1, as last amended by Act 2012-313; adds Section 40-9-21-2; restores the code sections in the exact same form as the sections existed prior to Act 2012-313 with two exceptions: 1) the net federal income tax limitation as provided in 40-9-21 for persons age 65 or older will continue to be \$12,000 and these people are exempt from ad valorem property taxes levied by any county of the state, including taxes levied for school districts, and 2) the Department of Revenue will be authorized to further provide for evidence of eligibility other than a tax return for the exemption; the Department of Revenue may by regulation define and specify the condition or state of health that makes a person "permanently and totally disabled" and may issue certificates of disability to any person who meets the specifications; anyone drawing a pension or annuity from the armed services, a private company or any governmental agency because he/she is permanently and totally disabled will automatically be granted a certificate of permanent and total disability by the Department of Revenue; on or after the effective date of this act, if a permanently and totally disabled person does not qualify for the exemption under Section 40-9-21(b), and has not previously submitted written certification of permanent and total disability by any two physicians licensed to practice in this state, he/she may submit as proof of disability affidavits from two physicians licensed to practice in this state, provided that at least one of the physicians is actively providing treatment directly related to the permanent and total disability of the person seeking the exemption; the affidavit requirement does not apply to anyone receiving the exemption on the effective date of this act; the property must be a single-family home owned and occupied during the tax year as the principal residence of the person qualifying for the homestead exemption; anyone who is permanently and totally disabled, or is over the age of 65, and who qualifies for the homestead exemptions in Sections 40-9-19 and 40-9-21 will be allowed to verify his/her condition each year after initial qualification by mail on a form affidavit to be provided by the tax assessor; anyone who knowingly and willfully gives false information for the purpose of claiming a homestead exemption, or for the purpose of assisting another person in claiming a homestead exemption, will be ordered to pay twice the amount of any ad valorem tax which would have been due retroactive for a period of up to 10 years plus interest at a rate of 15 % annually from the date the tax would have been due; any penalties and interest assessed against anyone who obtained an exemption based on false information or anyone who assisted another in claiming an exemption with false information will be paid within thirty days of written demand by the local taxing official or the Department of Revenue or the State of Alabama will bring civil action to recover the penalties and interest due.

Effective Date: May 21, 2013. The provisions of Section 2 of this act are retroactive to August 1, 2012, and will apply to the tax year beginning October 1, 2012. Anyone claiming an exemption under Section 40-9-19, 40-9-21 or 40-9-21.1, as amended by this act, for the tax year beginning October 1, 2012, may claim any exemption prior to August 1, 2013.

Act 2013-333 (HB 175)

Exempts Sale of Ophthalmic Materials from State Sales Tax

This act amends Section 40-23-1; the dispensing or transferring of ophthalmic materials, including lenses, frames, eyeglasses, contact lenses, and other therapeutic optic devices, to a patient by a licensed ophthalmologist or licensed optometrist, as part of his or her professional service, is a sale subject to state sales tax; the licensed ophthalmologist or licensed optometrist will collect the state sales tax; when ophthalmic materials are purchased by a consumer covered by a third party benefit plan, including Medicare, the sales tax will be applicable to the amount that the ophthalmologist, optometrist or optician is reimbursed by the third party benefit plan plus the amount that the consumer pays at the time of the sale.

Effective Date: May 23, 2013

Act 2013-336 (HB 394)

Authorizes the Conversion of Trusts to Unitrusts

This act amends Sections 19-3A-102, 19-3A-103, 19-3A-104 and 19-3A-409; concerns the Alabama Principal and Income Act; authorizes a trust to convert to a unitrust; upon conversion, the donor may make a charitable deduction, to be taken in the year that the conversion takes place; when a trust is converted to a unitrust, the donor's charitable contribution can be claimed as a deduction on the Form 40 or 40NR-Schedule A; charitable contributions on Schedule A are subject to limitations, so the allowed charitable deduction for each taxpayer will vary.

Effective Date: August 1, 2013

Act 2013-338 (HB 403)

Requires Name Reservations for All Foreign and Domestic Entities

This act amends Sections 10A-1-5.03, 10A-1-5.04, 10A-1-5.11, 10A-1-5.12, 10A-1-5.14 and 10A-1-5.15; repeals Sections 10A-1-5.21, 10A-1-5.22, 10A-1-5.23, 10A-1-5.24 and 10A-1-5.25; requires name reservations for all foreign and domestic business entities; combines name registration process for foreign entities with the name reservation process for domestic entities; extends the effective date for name reservations to one year from the date the application is accepted for filing; the following entities are exempt from the provisions in subsection 10A-1-5.04(a) requiring the name of a corporation or foreign corporation to contain the word "corporation" or "incorporated", or the abbreviation of one of those words: 1) nonprofit corporations, 2) foreign nonprofit corporations, 3) banks, 4) trust companies, 5) savings and loan associations, 6) insurance companies, and 7) corporations incorporated before January 1, 1981.

Effective Date: August 1, 2013

Act 2013-345 (HB 517)

Authorizes Alabama Public School and College Authority to Sell and Issue up to \$30,000,000 in Aggregate Principal Amount of Additional Bonds to Provide Funds for Capital Improvements to Certain Schools Damaged by Tornadoes

This act authorizes the Alabama Public School and College Authority to sell and issue up to \$30,000,000 in aggregate principal amount of bonds in addition to all other bonds previously issued by the authority for the purpose of providing funds to pay for certain schools that suffered tornado damage on April 27, 2011 and December 25, 2012; the proceeds from the sale of the bonds and the earnings will be allocated as follows: 1) \$15,000,000 to the Mobile County School System for the payment of capital improvements to Murphy High School and 2) \$15,000,000 will be allocated to the State Department of Education to be distributed among Alberta City Elementary School, Phil Campbell High School, University Place Elementary School, Holt Elementary School and Plainview High School; authorizes the authority to provide for the details of the bonds and the sale and issuance of the bonds; the bond issuance does not create any general obligations of the authority but will be a limited obligation payable solely out of the residues of certain tax receipts; for repayment of the bonds, there is pledged amounts as may be necessary from the residue of the receipts from several taxes: 1) utility gross receipts tax, 2) utility service use tax, 3) sales tax, and 4) use tax; authorizes the authority to pledge for payment of the principal of and interest on the bonds the funds that are appropriated and pledged; provides for the investment of funds by the State Treasurer; provides that the bonds not constitute a debt of the state but will be limited obligations payable out of the funds appropriated and pledged therefor; the bond issuance does not create any general obligations of the authority but will be a limited obligation payable solely out of the residues of certain tax receipts; provides that the bonds and the income therefrom will be exempt from taxation in this state and that the bonds may be used to secure deposits of funds of this state and its political subdivisions, instrumentalities, and agencies, and for investment of fiduciary funds; authorizes the authority to establish procedures and requirements to ensure compliance with tax covenants with which the authority must comply; exempts the bonds from the usury laws of the state; authorizes the authority to issue refunding bonds and give details of the refunding; provides for the employment of attorneys, fiscal advisors, trustees, paying agents, investment bankers, banks and underwriters and for the payment of all expenses incurred in the issuance of the bonds; provides that after payment of the expenses of the issuance of the bonds

the proceeds from the sale thereof will be disbursed on orders or warrants issued by or under the direction of the authority for the purposes for which the bonds are authorized to be issued; provides for the timely expenditure of the proceeds from the sale of the bonds; provides that if any portion of this act is held to be invalid the holding will not affect the validity of any other portion thereof; authorizes the authority to reimburse the Building Commission, the Department of Finance, and the State Treasurer's Office for costs incurred in providing services for the authority.

Effective Date: May 23, 2013

Act 2013-350 (HB 338)

Facilitates Ability of Discharged Military Service Members to Receive Licensure and Academic Credit for Military Education, Training, and Experience

This act facilitates the ability of discharged military service members to receive licensure and academic credit for military education, training, and experience; provides that a license of a service member will remain in good standing, with certain exemptions, while the member is deployed, and for a certain period of time; each board of a state public educational institution, community college, or technical school will adopt, by December 31, 2013, a policy requiring each institution under the board's supervision and management to award educational credits to a student, who is also a veteran, enrolled in the institution for courses that are part of the student's military training or service and that meet the standards of the American council on Education or equivalent standards; except as provided in subsection (c) of Section 4, any member of the Armed Forces of the United States will be left in good standing until, at a minimum, December 31, of the first year following the end of his/her deployment, by the administrative or licensing body with which he/she is licensed or certified, while deployed, if at the time of deployment, the member was in good standing with the branch of the armed services and with the administrative licensing body; while deployed, the service member's license or certificate will be renewed without payment of dues or fees, or obtaining continuing education credits when circumstances associated with military duty prevent him/her obtaining training and a waiver request has been submitted or the military member performs the licensed or certified occupation as part of his/her military duties, or when performing any other act typically required for renewal of the license or certificate; notwithstanding subsections 4 (a) and 4 (b), the licensing board may require that the licensee receive additional credits within the year following the end of deployment; licensees of the Alabama State Bar are regulated by the Alabama Supreme Court and are exempt from Section 4; the court may provide waivers and exemptions for active duty and deployed military members; nothing in this act will be construed to infringe on the ability or decision of a public institution of higher education to determine the number of credits accepted by the institution that may be counted toward graduation.

Effective Date: May 22, 2013

Act 2013-370 (HB 47)

Only Person/Entity Who has Redeemed Property Sold at a Tax Sale May Receive Excess Paid by Purchaser

This act amends Section 40-10-28; provides that only a person or entity who has redeemed property sold at a tax sale may receive the excess paid by a tax sale purchaser; allows the redemptioner to pay all amounts except the excess bid, and upon doing so, to receive a voucher from the County Commission for the amount of the excess bid, which he/she can use in lieu of cash to present to the probate judge to redeem the property; until and unless the property is redeemed, the excess from the tax sale will be held in an escrow account in the county treasury for three years; if at the end of the three year period, there has been no proper request for the excess funds, those funds will be deposited to the credit of the county general fund and will be treated as part of the county general fund; provides that a person or entity, upon presenting proof to the county commission that the property has been properly redeemed within ten years of the tax sale, will receive payment of the excess; after the ten year period, the excess funds will become the property of the county.

Effective Date: August 1, 2013

Act 2013-372 (HB 261)

Exempts Alabama Wholesale Oil License Tax Fee from Exported Gallons of Diesel Fuel and on Transmix; Clarifies Terms; Exempts K-1 Kerosene Refined in Alabama for Immediate Export from Destination State Taxes

This act amends Sections 40-17-174, 40-17-322, 40-17-329, 40-17-340 and 40-17-362; exempts the Alabama Wholesale Oil License Fee from exported gallons of diesel fuel and on transmix; clarifies the definition of the terms "special fuel" and "two-party exchange"; defines the terms "kerosene", "K-1 kerosene", "associate jobber" and "cellulosic biofuel"; exempts K-1 kerosene refined in this state for immediate export from destination state taxes; tax paid on transmix not used as motor fuel or that is delivered to a refinery for further processing will be refundable, on a quarterly basis, to the person using the transmix or, if a licensed supplier, a credit may be taken on its monthly supplier return; importers importing motor fuel from a bulk plant or non-terminal storage location, and importers importing motor fuel acquired at an out-of-state terminal from a supplier who has not precollected the tax, will pay the tax on or before the third business day following the day of importation; the proceeds of the tax collected on the additional six cents diesel fuel excise tax and the additional four cents gasoline excise tax will be used in the following manner: 1) where the use is by the Department of Transportation, the use will, with the approval of the Governor, be for the construction and maintenance of public roads and bridges on the state highway system, 2) where the use is by a county, the use will be for the resurfacing, restoration and rehabilitation of the paved county roads and bridges or bridge replacement on the county road system, and 3) where the use is by a municipality, the use will be for resurfacing, restoration, and rehabilitation of roads, bridges, and streets within the municipality, and for bridge replacement within the municipality.

Effective Date: August 1, 2013

Act 2013-373 (HB 323)

Alabama Improvement District Act; Terms of Board Members; Clarifies Procedure for Assessment of Lands within a District

This act amends Sections 11-99A-9, 11-99A-11, 11-99A-13, 11-99A-17, 11-99A-21, 11-99A-30, 11-99A-42 and 11-99A-43; adds Section 11-99A-52; provides for the appointment and terms of members of the board of directors of an Alabama Improvement District; provides for the assessment of lands within a district; assessments will not be made against any land owned or used by a utility in connection with the distribution, transmission, or generation of electric power; in event of nonpayment of the assessment, the board will send notice to the last known address of the owner as shown in the tax assessment records of the tax assessor or revenue commissioner, specifying that foreclosure proceedings may commence within 10 days of the notice if payment is not made; if the board chooses to sell the property to the highest bidder, the property will be sold in the same manner and upon the same notice as provided by law for the sale of lands or property by foreclosure by power of sale for mortgages; once the board declares the highest bidder and receipt of purchase price, the board will deliver a foreclosure deed to the highest bidder, which will vest legal title to the property sold by foreclosure; provides for issuance of bonds; provides for reassessments and amendments to existing assessments; amendments of Alabama Improvement District Act affected by this act will be deemed declarative of existing law and will have prospective and retroactive operation.

Effective Date: May 23, 2013

Act 2013-398 (HB 215)

Distribution of Net Proceeds from Sale of National Guard License Plates; Commitment to Purchase Process for Specialty License Plates; Creation of a Motorcycle License Plate Category; Creation of Out-of-State College and University License Plates; Revisions to Distinctive Firefighter Motor Vehicle Plate; Proof of Payment for Federal Heavy Vehicle Excise Tax; Expiration Dates of Issued Licenses No Longer Applicable for Commercial Motor Vehicles

This act amends Sections 32-6-111.2, 32-6-64, 32-6-67, 32-6-68, 32-6-270, 32-6-272, 32-6-58 and 32-7A-17; repeals Section 40-12-267; distributes the net proceeds from the sale of National Guard license plates to the National Guard Foundation and provides for the use of the funds; authorizes the Commissioner of Revenue to prescribe the manner in which persons make application and remit funds for the commitment to purchase

process for specialty license plates; specifies that a sponsoring organization that fails to achieve the required number of commitments may not submit another application for a period of one year; authorizes the Legislative Oversight Committee on License Plates to consider license plate applications for the creation of license plate categories for motorcycles; provides that an application for the creation of a motorcycle license plate category will be for Quantity Class 2 only; provides that if the sponsoring organization is applying for passenger car plate and motorcycle plate categories, separate applications will be required to be filed; provides that the number of commitments to purchase for both passenger car and motorcycle license plate categories will be required to be obtained before the categories will be established and commitments cannot be combined in order to reach the required threshold; allows the approval of distinctive license plates for out-of-state colleges and universities by the legislative oversight committee after obtaining the certain minimum commitments to purchase; provides for the distribution of the fees from the distinctive license plate to the State General Fund; provides that a retired volunteer firefighter retired from a volunteer fire department in another state will be eligible to obtain a distinctive firefighter motor vehicle tag; provides for the issuance of a distinctive law enforcement memorial license plate; provides for an additional annual fee of \$50 for the license plate and distribution of the proceeds of the additional fee; provides for the design of the tag; deletes the specific weight reference and generally requires an applicant to furnish proof of payment of any federal heavy vehicle excise tax imposed by Title 26, United States Code §4481, on certain motor vehicles prior to the licensing official issuing, transferring, or renewing any motor vehicle registration and license plate for the motor vehicles; provides that when renewing a motor vehicle registration that contains more than one individual or entity listed thereon as a registrant, the valid driver's license or identification card number, a department approved federal identifying number, national driver's license, or the federal employer identification number for only one of the individuals or entities listed as a registrant will be required to be included within the motor vehicle registration records in the state and county databases; repeals Section 40-12-267, which provides for expiration dates of licenses issued, which are no longer applicable for certain commercial motor vehicles.

Effective Date: Sections 1 and 2 become effective January 1, 2014. Sections 3 and 4 become effective May 23, 2013

Act 2013-402 (HB 514)

Allows Proceeds from Four-Cent Excise Tax on Gasoline and Lubricating Oil Distributed to Counties to be Used for Vegetation Management

This act amends Section 40-17-362; repeals Section 40-17-224; adds definition of "vegetation management"; allows the proceeds of the four-cent per gallon excise tax on gasoline and lubricating oil distributed to counties to be used for vegetation management on the rights-of-way of county roads including, but not limited to, restoration and maintenance and cleaning of the full width of the right-of-way through the use of herbicides, heavy equipment, and other means.

Effective Date: August 1, 2013

Act 2013-424 (HB 455)

Counties Granted Power to Designate Qualifying Large Contiguous Tracts of Underutilized Real Property as Major 21st Century Manufacturing Zones

This act amends Sections 11-99-1 and 11-99-2, as amended by Act 2013-51 enacted at the 2013 Regular Session of the Legislature of Alabama; authorizes a county to designate certain real property as a Major 21st Century Manufacturing Zone as a tax increment district; Major 21st Century Manufacturing Zone is defined as any area aggregating not less than 250 contiguous acres of real property determined by a local governing body to be: 1) located, in whole or part, within its boundaries or corporate limits, 2) suitable for the site of an automotive, automotive-industry related, aviation, aviation-industry related, medical, pharmaceutical, semiconductor, computer, electronics, energy conservation, cyber technology, or biomedical industry manufacturing facility or facilities, and 3) an area within which not less than \$100,000,000 of capital expenditure in connection with the establishment, expansion, construction, equipping, development, rehabilitation, or redevelopment of the facility or facilities is anticipated to be made based upon representations and information provided by the anticipated user or users of the facility or facilities and other information that

the local governing body has available to it and deemed appropriate; upon the creation of a tax increment district, the tax increment base must be determined; the tax increment base is defined as the aggregate value, as equalized by the Alabama Department of Revenue, of all taxable property located within the tax increment district on the date the district is created; each October 1 following the creation of a tax increment district, the equalized value of all taxable property in the district is determined.

Effective Date: May 23, 2013

Act 2013-443 (SB 240)

Exempts Durable Medical Equipment, Prosthetics and Orthotics Devices and Medical Supplies from Any State, County and Municipal Sales and Use Taxes

This act expands the sales and use tax exemption for durable medical equipment to include prosthetics and orthotics devices, and medical supplies, as defined under the Medicare program, that are sold pursuant to a valid prescription and billed by a third party payer (private insurance company) from any state, county and municipal sales and use taxes; exempt items include, but are not limited to, any of the following: 1) durable medical equipment, including repair parts and the disposable or single patient use supplies required for the use of the equipment, 2) medical oxygen and related equipment and supplies, 3) prosthetic and orthotic devices, and 4) medical supplies, as defined and covered under the Medicare program, including, but not limited to, catheters, catheter supplies, ostomy bags and supplies related to ostomy care, specialized wound care products, and similar items that are covered by and billed to a third party payer.

Effective Date: October 1, 2014

Local Revenue Related Acts 2013 Regular Session

Act 2013-170 (HB 04)

Tax Exemption for Lurleen B. Wallace Community College Foundation and Calhoun Community College Foundation

This act exempts the Lurleen B. Wallace Community College Foundation and the Calhoun Community College Foundation, in furtherance of its charitable purposes, from any state, county, and local ad valorem, sales and use taxes.

Effective Date: April 30, 2013

Act 2013-199 (HB 271)

Distribution of TVA Payments in Morgan County

This act further provides for the distribution and expenditure of in-lieu-of-taxes payments received from the Tennessee Valley Authority distributed to Morgan County; repeals act 2011-267 of the 2011 Regular Session.

Effective Date: October 1, 2013

Act 2013-225 (SB 249)

Alters/Rearranges Boundary Lines/Corporate Limits of Alabaster in Shelby County

This act alters, rearranges, and extends the boundary lines and corporate limits of the City of Alabaster in Shelby County.

Effective Date: August 1, 2013

Act 2013-228 (SB 325)

Authorizes Automated Traffic Safety Law Enforcement in City of Center Point in Jefferson County as a Civil Violation

This act authorizes automated traffic safety law enforcement in the City of Center Point in Jefferson County as a civil violation; provides certain procedures to be followed by the city using automated photographic traffic enforcement; provides that the owner of a vehicle involved in running a traffic light, stop sign, or violating the speed limit in the city is presumptively liable for a civil violation and the payment of a specified fine; provides procedures to contest liability; provides for jurisdiction in Jefferson County and the City of Center Point over civil violations and allows petitions for judicial review in the Jefferson County Circuit Court for trial de novo; creates a cause of action for any person held responsible for payment of the fine against the person who was actually operating a vehicle during the commission of a civil violation defined in this act.

Effective Date: August 1, 2013. Effective the first day of month following the expiration of 60 days after its approval by the Governor, or its otherwise becoming law.

Act 2013-230 (SB 357)

Alters/Rearranges Boundary Lines/Corporate Limits of Foley in Baldwin County

This act alters, rearranges, and extends the boundary lines and corporate limits of the City of Foley in Baldwin County.

Effective Date: August 1, 2013

Act 2013-231 (SB 358)

Alters/Rearranges Boundary Lines/Corporate Limits of Foley in Baldwin County

This act alters, rearranges, and extends the boundary lines and corporate limits of the City of Foley in Baldwin County.

Effective Date: August 1, 2013

Act 2013-232 (SB 359)

Alters/Rearranges Boundary Lines/Corporate Limits of Foley in Baldwin County

This act alters, rearranges, and extends the boundary lines and corporate limits of the City of Foley in Baldwin County.

Effective Date: August 1, 2013

Act 2013-235 (SB 395)

Alters/Rearranges Boundary Lines/Corporate Limits of Fairhope in Baldwin County

This act alters, rearranges, and extends the boundary lines and corporate limits of the City of Fairhope in Baldwin County.

Effective Date: August 1, 2013

Act 2013-243 (SB 420)

Proceeds from Privilege or License Tax in Baldwin County Distributed to the Historic Blakely Authority

This act amends Section 45-2-244.183; provides for the use of the portion of the proceeds from a privilege or license tax on the leasing or renting of tangible personal property distributed to the Historic Blakely Authority; of the portion distributed to the Historic Blakely Authority, for the fiscal year ending September 30, 2013, and the next two fiscal years, the funds may be expended 50 % for capital outlay and 50 % for operations; in any fiscal year that the authority adds to and supplements its lease tax revenue with contributions of capital expansion funds or other equivalent capital contributions of real or personal property from other sources, an amount of funds from this act earmarked for capital outlay equal to 50 % of the additional contributions for capital outlay or equivalent capital contributions may be expended for operations in lieu of expending for capital outlay.

Effective Date: May 15, 2013

Act 2013-244 (SB 434)

Alters/Rearranges Boundary Lines/Corporate Limits of Florence in Lauderdale County

This act alters, rearranges, and extends the boundary lines and corporate limits of the City of Florence in Lauderdale County.

Effective Date: August 1, 2013

Act 2013-292 (HB 117)

Authorizes the Mobile County Commission to Impose Additional Issuance Fee in Office of License Commissioner

This act authorizes the Mobile County Commission to impose, by resolution, an additional issuance fee not to exceed \$5 on each motor vehicle registration, boat renewal or registration, manufactured home registration, business license application, or other instrument registered or application applied for in the office of the license commissioner; proceeds from the fee will be used by the commission for storage of records and purchase and maintenance of equipment and technology within the Office of the License Commissioner.

Effective Date: May 21, 2013

Act 2013-296 (HB 235)

Alters/Rearranges Boundary Lines/Corporate Limits of Fort Payne in DeKalb County

This act alters, rearranges, and extends the boundary lines and corporate limits of the City of Fort Payne in DeKalb County.

Effective Date: August 1, 2013

Act 2013-298 (HB 341)

Alters/Rearranges Boundary Lines/Corporate Limits of Tuscaloosa and Northport in Tuscaloosa County

This act alters, rearranges, and extends the boundary lines and corporate limits of the Cities of Tuscaloosa and Northport in Tuscaloosa County to remove certain property from the corporate limits of Tuscaloosa and add the property to Northport.

Effective Date: August 1, 2013

Act 2013-299 (HB 359)

Authorizes Sheriff of Washington County to Collect Motor Vehicle Impoundment Fee When the Vehicle was Being Used to Transport Illegal Drugs

This act authorizes the sheriff of Washington County to collect a motor vehicle impoundment fee in the amount of \$100 when a motor vehicle was impounded by the sheriff because the vehicle was being used to transport illegal drugs; the sheriff will establish and maintain a Sheriff's Vehicle Impoundment Fund and deposit collected proceeds into the fund; the sheriff will keep an account of all monies collected and the transactions of the fund for audit by the Department of Examiners of Public Accounts; all monies deposited into the fund will be expended at the discretion of the sheriff for law enforcement purposes in the interest of the public.

Effective Date: May 21, 2013

Act 2013-303 (HB 433)

Lowers the Convenience Fee per Transaction on the Renewal of a License Plate Made on the Internet, Other Electronic Means, or By Mail, in the Office of the Judge of Probate of Monroe County

This act amends Act 2011-245 of the 2011 Regular Session; lowers the convenience fee per transaction on the renewal of a motor vehicle license plate made on the Internet or by other electronic means, or by mail, in the office of the Judge of Probate in Monroe County to \$2.00; the fees will be collected and deposited in the county general fund.

Effective Date: August 1, 2013

Act 2013-304 (HB 509)

Provides an Additional Expense Allowance and Salary for the Russell County Revenue Commissioner

This act provides for an additional expense allowance and salary for the Russell County Revenue Commissioner, commencing on the first day of the month immediately following the effective date of this act; the Russell County Revenue Commissioner will receive an additional expense allowance in the amount of \$10,000 annually; the cost of the expense allowance will be paid on a prorated basis in the same manner and from the same funds as the salary the revenue commissioner is receiving on the effective date of this act; the expense allowance will be treated in the same manner as salary for purposes of retirement benefits; beginning with the expiration of the term of the incumbent revenue commissioner, the annual salary for the revenue commissioner will be increased by \$10,000 each year and, at that time, the expense allowance in Section 1 will become null and void.

Effective Date: August 1, 2013

Act 2013-314 (SB 338)

Alters/Rearranges Boundary Lines/Corporate Limits of Weaver in Calhoun County

This act alters, rearranges, and extends the boundary lines and corporate limits of the City of Weaver in Calhoun County.

Effective Date: August 1, 2013

Act 2013-318 (SB 468)

Appropriation of TVA Funds in Jackson County

This act amends and reenacts Section 1 of Act 1979-473, 1979 Regular Session, as amended by Act 1999-550 and Act 2012-421; provides for the appropriation of funds received by the county from payments made in lieu of taxes by the Tennessee Valley Authority; will not affect any payments for the fiscal year ending September 30, 2013.

Effective Date: October 1, 2013.

Act 2013-321 (HB 266)

Authorizes City of Auburn to Increase the Special Ad Valorem Tax for Support of Education

This act authorizes the governing body of the City of Auburn, in Lee County, to increase the rate at which there is levied and collected by the city, on all taxable property situated within the city, the special ad valorem tax for the support and furtherance of education; rate increased by 14 mills (\$1.40 on each one hundred dollars) of assessed value.

Effective Date: Contingent upon voter approval

Act 2013-322 (HB 344)

Extends Termination Date of Lodging Tax in Madison County

This act amends Section 4 of Act 2004-418 of the 2004 Regular Session, as amended by Act 2012-442 of the 2012 Regular Session; extends the termination date of lodging tax in Madison County to September 30, 2032.

Effective Date: May 23, 2013

Act 2013-325 (HB 435)

Authorizes Lee County Commission to Levy Additional Sales and Use Tax outside the Corporate Limits of Auburn, Opelika and Phenix City

This act authorizes the Lee County Commission to levy an additional sales and use tax outside the corporate limits of the Cities of Auburn, Opelika and Phenix City; the county commission may levy a one percent sales and use tax against gross sales, use, storage or other consumption subject to the state sales or use taxes levied by Sections 40-23-2(1), 40-23-2(2) and 40-23-61(a); proceeds collected from the additional sales and use tax to be used for funding a parks and recreation program in the county (50 %) and to provide funding for additional county sheriffs (50 %); provides for the enforcement of the act; provides for referendum.

Effective Date: Contingent upon voter approval

Act 2013-327 (HB 609)

Authorizes Baldwin County to Borrow from the County Oil and Gas Severance Tax Trust Fund

This act amends Section 45-2-245.20; authorizes Baldwin County to borrow from the Baldwin County Oil and Gas Severance Tax Trust Fund created by Act 1989-959; authorizes the trustees to loan, in one transaction only, all or any part of the funds on deposit in the trust fund to Baldwin County; the county commission will have the authority in their discretion, in one transaction only, to borrow the funds from the trust fund and will be required to expend all funds borrowed solely for the purpose of encouraging, promoting, or assisting economic and industrial development in Baldwin County; repayment of the loan will be made in semi-annual installments of principal and interest over a term not to exceed 15 years from the date of the loan, at a rate of interest equal to one percent more than the published market rate payable on 10-year term U.S. Treasury Notes; repaid principal funds will not be borrowed a second time.

Effective Date: May 22, 2013

Act 2013-328 (HB 666)

Allocation and Expenditure of TVA Payments in Morgan County

This act provides for the allocation and expenditure of money received from the Tennessee Valley Authority and distributed to Morgan County pursuant to Act 2010-135, 2010 Regular Session, for fiscal years 2014, 2015 and 2016.

Effective Date: May 22, 2013

Act 2013-344 (HB 497)

Authorizes Crenshaw County Commission to Levy One-Half Percent Sales and Use Tax Increase

This act authorizes the Crenshaw County Commission to levy a one-half percent sales and use tax increase to be distributed to the Association of Volunteer Fire Departments (75%) for eligible fire departments and emergency medical service organizations, and to the county commission (25%) for fire protection and emergency medical

services, and for public safety purposes; upon dissolution or abandonment of any eligible fire department or emergency medical service, any remaining funds or assets will be transferred to the Crenshaw County Association of Volunteer Fire Departments; subject to approval at local referendum; if approved by voter majority, the act will become operative on the first day of the second month following its passage.

Effective Date: Contingent upon voter approval

Act 2013-358 (HB 479)

Clay County Commission Authorized to Sell Gasoline and Diesel Fuel to Volunteer Fire Departments and Rescue Squads

This act authorizes the Clay County Commission to sell gasoline, diesel fuel and other petroleum products to volunteer fire departments and rescue squads serving the county.

Effective Date: May 22, 2013

Act 2013-359 (HB 480)

Special Recording Fee on Real Property and Personal Property Instruments in Shelby County Judge of Probate

This act amends Section 7 of Act 248, of the 1975 Regular Session, as amended by Act 2010-530, 2010 Regular Session; provides for a special recording fee of \$8 on real property and personal property instruments filed for record with the Shelby County Judge of Probate; further provides for the fee and distribution of the additional fee.

Effective Date: August 1, 2013

Act 2013-365 (HB 510)

Recording Fee on Documents Filed for Record with the Russell County Judge of Probate

This act amends Section 1 of Act 2006-360 of the 2006 Regular Session; authorizes a recording fee of \$5 for each instrument filed for record in the office of the judge of probate and for each marriage license issued; the fee will be paid to the county and collected by the Russell County Judge of Probate; the fees will be collected and deposited by the judge of probate in an account managed by the judge of probate and accumulated for the purpose of modernizing the records and record keeping of the probate office, at the discretion of the judge of probate; excess funds may be used to offset the cost to the county general fund for the general operation of the probate office.

Effective Date: August 1, 2013

Act 2013-377 (HB 532)

Establishes County Business License for Door-to-Door Sales in Calhoun County

This act amends Sections 45-8-70.01 and 45-8-241; establishes a county business license for persons engaged in commercial door-to-door sales promotion of products or services for profit in Calhoun County; provides for violations; provides an automobile allowance for the county commissioner of licenses; provides a citation fee of \$7 for persons cited for failure to pay for a county business license; citation fees will be deposited in the county treasury and \$2 of each fee will be disbursed to the commissioner of licenses for the operation of that office.

Effective Date: August 1, 2013

Act 2013-378 (HB 534)

Repeals Act 1971-393, Relating to Distribution of Calhoun County's Share of State Gasoline Excise Tax

This act repeals Act 1971-393, 1971 Regular Session, relating to the distribution of a portion of the Calhoun County share of the state gasoline excise tax to incorporated municipalities in the county; Act 1971-393 provides that county commissions or other governing bodies of all counties having populations of not less than 95,000 nor more than 115,000 are authorized and directed to appropriate and set aside seventeen and one-half percent of the county's share of the state gasoline excise tax, to be distributed to several incorporated municipalities in the county on the basis of the ratio of the population of each municipality to the total population of all municipalities in the count according to the most recent federal decennial census; all monies

received by municipalities under Act 1971-393 are to be used and expended exclusively for the construction, improvement and maintenance of highways and streets, for traffic control, and related administrative expenses.
Effective Date: July 1, 2013

Act 2013-380 (HB 627)

Concerning the Birmingham-Jefferson County Transit Authority

This act repeals Act 2004-500 of the 2004 Regular Session, Act 993 of the 1971 Regular Session, Act 204 of the 1971 Third Special Session, Act 329 of the 1973 Regular Session, Act 508 of the 1973 Regular Session and Act 87-449 of the 1987 Regular Session; relates to any transit authority organized under laws authorizing a public corporation for the purpose of providing a public transportation system in any county having a population of not less than 600,000 according to the last or any subsequent federal decennial census; provides for the continued applicability of the act to an authorizing county which had, at one time, been subject to the act, notwithstanding a subsequent change in the county's population; provides for the organization of a transit authority which would govern the establishment and operation of a public transportation system; provides for the fixing of rates, fees, and charges by the authority; provides for the issuance of bonds; provides for the dissolution of the transit authority; provides for the application of this act to the Birmingham-Jefferson County Transit Authority; provides for the calculation of annual payments by the authorizing county, the principal municipality and any participating municipality; provides for the calculation of ad valorem taxes paid by the authorizing county; provides for the transit authority's discontinuance or reduction in service to any municipality which fails timely to pay for the services; provides for the use of ad valorem taxes to pay, in certain instances, the amounts owed by any municipality.

Effective Date: May 22, 2013

Act 2013-389 (HB 558)

Additional Tax on Tobacco and Tobacco Products in Randolph County

This act amends Sections 3 and 6 of Act 2003-213 of the 2003 Regular Session, as last amended by Act 2010-402 of the 2010 Regular Session; the county will contract with the Department of Revenue to purchase stamps; ten percent of the proceeds will be distributed to the Randolph County Equine and Agricultural Association to be used to pursue educational opportunities related to and to promote all types of agriculture in Randolph County and its surrounding area; the funds distributed to the Randolph Industrial Development Council will be expended solely for the recruitment of new or the expansion of existing industries; none of the proceeds distributed to the Randolph County Equine and Agricultural Association or the Randolph Industrial Development Council will be used for salaries.

Effective Date: May 23, 2013

Act 2013-392 (HB 569)

Alters/Rearranges Boundary Lines/Corporate Limits of Woodland in Randolph County

This act alters, rearranges, and extends the boundary lines and corporate limits of the municipality of Woodland in Randolph County.

Effective Date: May 22, 2013

Act 2013-393 (HB 571)

Levies Additional Sales Tax on Liquor Sold in Dallas County

This act levies an additional five percent sales tax on liquor sold in Dallas County by entities licensed by the Alcoholic Beverage Control Board; proceeds will be allocated as follows: 1) twenty-five percent to the district attorney for Dallas County, 2) seventy-five percent to the Dallas County Drug Court; taxes will be due and payable to the Director of Revenue or any other county officer or employee charged with the duty of collecting county licenses or privilege taxes, on or before the last day of each month next succeeding the month in which the tax accrues; any person who fails to pay the tax within the time required will pay a delinquent penalty of 10 percent of the amount of tax due, together with interest at the rate of one-half of one percent per month or fraction from the date on which the tax became due and payable.

Effective Date: August 1, 2013

Act 2013-403 (HB 582)

Establishes Volunteer Fire Districts in Marshall County

This bill allows the Marshall County Commission, under certain conditions, to establish volunteer fire districts for the purpose of preventing fires, or for fire protection, or for recognized scopes of practice of fire departments; provides for the manner in which the district may be formed; authorizes a referendum in each fire district to provide funding for the district through a fire protection service fee, not to exceed \$10, on each occupied residence, dwelling or business; provides for certain exemptions for the service fee; provides for distribution and expenditure of funds; provides that the collection, administration and enforcement of the fee occur as closely as possible at the same time, in the same manner and under the same requirements and laws as are the ad valorem taxes of the state.

Effective Date: May 22, 2013. Fees established at referendum in the fire district.

Act 2013-405 (HB 621)

Increases the Share of TVA Payments Going to the DeKalb County Economic Development Authority

This act amends Section 45-25-160.03; increases the share of TVA in-lieu-of-taxes payments received by DeKalb County going to the DeKalb County Economic Development Authority for the fiscal years beginning October 1, 2013, 2014 and 2015; through fiscal year ending September 30, 2013, the development authority will be appropriated \$50,000; beginning October 1, 2013, the development authority will receive the following appropriations: 1) fiscal year 2013-2014, the first \$75,000, 2) fiscal year 2014-2015, the first \$100,000, 3) fiscal year 2015-2016, the first \$125,000; and 4) in the fiscal year beginning October 1, 2016, the appropriated amount will remain at \$125,000 unless otherwise specified by local act of the Legislature.

Effective Date: May 23, 2013

Act 2013-408 (HB 630)

Increases Special Recording and Indexing Fee in Fayette County

This act amends Section 8 of Act 1986-309 and Sections 1 and 2 of Act 1990-191, now appearing as Section 45-29-83.47; increases the special recording and indexing fee in Fayette County to \$5 for cases filed in probate court, real property and personal property instruments, incorporation, notary bond, name change, and marriage licenses issued by, or marriage ceremony performed by, the judge of probate; provides for deposit and expenditure of fees.

Effective Date: August 1, 2013

Act 2013-409 (HB 633)

Tax Assessor, Tax Collector and Judge of Probate in Wilcox County will assist the County Commission in the Collection of the Solid Waste Fee

This act provides that, upon request, the tax assessor, tax collector, and judge of probate will include the amount owed for the solid waste fees in the bills for the collection of ad valorem taxes and the renewal notices for motor vehicle license plates, and by the collection of the solid waste fees in conjunction with the payment of ad valorem taxes or the renewal of motor vehicle license plates; the Wilcox County Commission, by agreement may authorize the tax assessor, tax collector and judge of probate to retain or receive a portion of any solid waste fees collected as an administrative fee to cover the costs of collection; the net fees collected will be forwarded to the Wilcox County Commission.

Effective Date: August 1, 2013

Act 2013-412 (HB 681)

Authorizes the Formation of the South Lake Martin Fire District in Elmore and Tallapoosa Counties

This act authorizes the formation of the South Lake Martin Fire District for fire protection and emergency medical services near Lake Martin in order to provide support to the Willow Point/Ourtown Fire District and the Windermere Fire District, and provide enhanced services in these districts; authorizes the assessment of a

family and home protection fee for the purpose of funding the district; provides for distribution and expenditure of fees; provides for referendum to created; provides for referendum to establish service charges; the property and income of the district, income from bonds issued by the district, conveyances by or to the district, leases, mortgages and deeds of trust by or to the district will be exempt from all state taxation.

Effective Date: May 22, 2013. Contingent upon voter approval; no fire district will be created unless it is approved by the majority of votes cast at a referendum election in the proposed district. Service charges must also be approved at a referendum election.

Act 2013-427 (HB 616)

Establishes a Consolidated and Unified System for Assessment and Collection of Taxes under the Supervision of Designated Madison County Revenue Commissioner

This act provides for the establishment of a consolidated and unified system for the assessment and collection of taxes under the supervision of an elected county official designated as the Madison County Revenue Commissioner; provides for the election, power, duties, term of office and compensation of official; abolishes the offices of tax assessor and tax collector; provides that the substantive provisions of the act will become effective on approval of the electors.

Effective Date: Contingent upon voter approval

Act 2013-433 (HB 650)

Alters/Rearranges Boundary Lines/Corporate Limits of Springfield in St. Clair County

This act alters, rearranges, and extends the boundary lines and corporate limits of the City of Springville in St. Clair County.

Effective Date: August 1, 2013

Act 2013-434 (HB 654)

Exempts East Alabama Community Development Corporation from Calhoun County and Municipal Sales and Use Taxes

This act exempts the East Alabama Community Development Corporation operating in Calhoun County from any county and municipal sales and use taxes.

Effective Date: August 1, 2013

Act 2013-435 (HB 656)

Appropriation of TVA Funds in Jackson County

This act amends and reenacts Section 1 of Act 1979-473, 1979 Regular Session, as amended by Act 1999-550, and Act 2012-421; provides for the appropriation of funds received by Jackson County, directly or indirectly, from payments made in lieu of taxes by the Tennessee Valley Authority; will not affect any payments for the fiscal year ending September 30, 2013.

Effective Date: October 1, 2013

Act 2013-441 (HB 683)

Authorizes City Governing Body of Midfield in Jefferson County to Levy Additional Ad Valorem Tax

This act authorizes the city governing body of Midfield in Jefferson County to levy an additional ad valorem tax of 14 mills on each dollar of taxable property to be paid to the city general fund and used for general municipal purposes; provides for a referendum and election by a majority of qualified voters in the city.

Effective Date: Contingent upon voter approval

Act 2013-442 (HB 37)

Exempts Food Pantry in Talladega County from State, County and Municipal Sales and Use Taxes

This act exempts, under certain conditions, a food pantry located in Talladega County which distributes food for charitable purposes and which has been granted status as a nonprofit organization under Section 501(c)(3) of the federal Internal Revenue Code from all state, county, and municipal sales and use taxes when it purchases food

and food related products for distribution; defines a "food pantry" as a charitable, nonprofit organization which collects, purchases, or otherwise accumulates food and food related items for food distribution without any charge for charitable purchases.

Effective Date: August 1, 2013