

Alabama Department of Revenue
General Summary of State Taxes

2014



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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.

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 Two outlines the taxes with the statutory or constitutional authority, basis, rate, exemption, payment, and distribution through the 2014 regular session of the Alabama Legislature.

Part Three contains legislative changes made during the 2014 regular session of the Alabama Legislature.

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. Taxpayers 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 or by going to <https://myalabamataxes.alabama.gov>.

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

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

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

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.

Secretary

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

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

Legal Counsel

The Commissioner of Revenue, with the approval of the Attorney General, appoints an attorney as legal counsel for the department who holds office at the pleasure of the Governor. The counsel shall be commissioned as an Assistant Attorney General and, in addition to the powers and duties conferred, have the authority and duties of an

Assistant Attorney General; except, that his 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

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

Office of the Commissioner of Revenue

Assistant Commissioner

Mike 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
Room 1210, GPB, 334-242-9600

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

Collection Services Division – Valynn Helms, Director

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

Third Floor of the Gordon Persons Building
Room 3143, GPB, 334-242-1220

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

Economic Development

Fourth Floor of the Gordon Persons Building
Room 4112, GPB, 334-242-1175

Human Resources Division - Linda Ellis, Director

Fourth Floor of the Gordon Persons Building
Room 4102, GPB, 334-242-1670

Individual and Corporate Tax Division – James Lucy, Director

Kathleen Abrams, Assistant Director, Individual Income Tax Section, Rm. 4212, 334-242-9819

Barry Estes, Assistant Director, Business Tax Section, Rm. 4340, 334-353-2240

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

Information Technology Division – Debbie Hornsby, Director

Gary Graham, Assistant Director, Rm. 1115, 334-353-7634

First Floor of the Gordon Persons Building
Room 1115, GPB, 334-242-8500

Investigations Division - Charles E. Crumbley, Director

Montgomery Taxpayer Service Center
2545 Taylor Road, 334-242-3012

Motor Vehicle Division – Brenda R. Coone, Director

Jay Starling, Assistant Director, 334-242-9008

Montgomery Taxpayer Service Center

2545 Taylor Road, 334-242-9008

Titles, Motor Vehicle Registration, Mandatory Liability Insurance, International Fuel Tax Agreement, International Registration Plan, Motor Vehicle Dealer, Rebuilder, Wholesaler and Off-Site Licenses,

Processing Division - Anne Glenn, Director

Don Graham, Assistant Director

First Floor of the Gordon Persons Building

Room 1101, GPB, 334-242-2017

Property Tax Division - Bill Bass, Director

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

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

Sales and Use Tax Division - Joe Walls, Director

Rouen Reynolds, Assistant Director, Rm. 4303, 334-242-1490

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

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

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), 40-17-326, and 40-17-360, Code of Alabama 1975.

Basis

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

Rate

Aviation gasoline \$.095 per gallon

Jet fuel \$.035 per gallon

Exemptions/Refunds:

Section 40-17-329 exempts the following:

- (1) Having first paid the tax owed under Section 40-17-325, an exporter shall have the right to apply to the department on a monthly basis for a refund of the taxes paid to this state on the gallons of motor fuel that are ultimately exported by the exporter. The department will require the exporter to provide proof of payment of the applicable destination state excise taxes before issuing a refund.
- (2) Having first paid the tax owed under Section 40-17-325, a licensed aviation fuel purchaser shall have the right to apply to the department on a monthly basis for a refund of the taxes paid to this state on the gallons of jet fuel sold to a certificated or licensed air carrier that purchases jet fuel within this state and uses the jet fuel to propel aircraft powered by jet or turbine engines operated in scheduled all-cargo operations being conducted on international flights or in international commerce.
- (3) Having first paid the tax to its vendor, the entities listed below shall have the right to apply to the department for a refund on a quarterly basis for any purchases of motor fuel. (Note: These entities that have a Motor Fuel Exemption License may purchase tax-free from a licensed distributor.)

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.

- (4) Having first paid the tax, a licensed air carrier with a hub operation within this state shall have the right to apply to the department for a refund on a quarterly basis for any purchases of jet fuel used to propel aircraft.

Payment

Paid by 22nd of month following month of transaction to the Alabama Department of Revenue, Business & License Tax Division, Motor Fuels Section. Tax is due on all imports on or before the 3rd business day following import using 3-Day Voucher.

Distribution

Department of Transportation

Business Privilege License

Authority

Sections 40-12-1 through 40-12-180, Code of Alabama 1975.

Basis

Engaging in certain businesses, professions, or occupations within Alabama as specified in the Code of Alabama 1975.

Rate

Rates vary, generally based on the population of the municipality in which the business is located. In some cases the license fee depends on the amount of capital invested; in others, the gross amount of orders or contracts accepted; or other conditions stipulated by the Code of Alabama 1975.

Payment

No tax returns are filed.

Unless otherwise specified, privilege license fees are due and payable by October 1 and delinquent on November 1.

Licenses are issued by the county-issuing authority 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.

Distribution

Domestic Entities:

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

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

Foreign Entities:

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

Coal Severance Tax

Authority

Sections 40-13-1 through 40-13-10 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 \$.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, imported into Alabama, or blended with a motor fuel product.

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 K-1 Kerosene or aviation jet fuel that is produced at a refinery in this state and is either exported from this state directly by the operator of that refinery or is sold for immediate export by the operator to a licensed exporter. In either case proof of export is to be available in the form of a terminal destination

state shipping document and in addition all relevant sales documents are to reference the product known as “K-1 Kerosene” or “aviation jet fuel” as applicable.

- (3) All sales of dyed diesel fuel.
- (4) Gasoline blendstocks or cellulosic biofuel when sold to a. a licensed supplier or b. a person who will not be using the blendstocks or cellulosic biofuel in the manufacture of gasoline or as a motor fuel, as evidenced by the exemption certificate prescribed under regulations promulgated under Section 4081, Title 26 of the United States Code.
- (5) All motor fuel sold by a licensed supplier or licensed permissive supplier to an exempt agency electing to be licensed under Section 40-17-332.
- (6) Motor fuel that is delivered by a licensed supplier from one terminal to another terminal when ownership in the motor fuel has not changed, or by a licensed supplier from a terminal to a refinery operated by the licensed supplier.
- (7) Having first paid the tax owed under Section 40-17-325, 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.
- (8) Having first paid the tax to its vendor, the entities listed below shall have the right to apply to the department for a refund on a quarterly basis for any purchases of motor fuel. (Note: These entities that have a Motor Fuel Exemption License may purchase tax-free from a licensed distributor or through a credit card issuer.)

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

- (9) Having first paid the tax owed under Section 40-17-325, Code of Alabama 1975, an exporter shall have the right to apply to the department on a monthly basis for a refund of the taxes paid to this state on the gallons of motor fuel that are ultimately exported by the exporter. The department will require the exporter to provide proof of payment of the applicable destination state excise taxes before issuing a refund.

Certain counties and cities levy additional gasoline and diesel fuels taxes ranging from \$.005 to \$.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. Tax is due on all imports on or before the 3rd business day following import using 3-Day Voucher.

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/t RCRA/PCB Base Fee

25% goes to the County. 75% goes to General Fund with \$500,000 to ALERT Fund, if amount is available at year-end after distributing ADEM portion and Sumter County quarterly guarantee.

\$5.50/t All Other Waste

25% goes to the County. 75% goes to General Fund. The first \$450,000 of total collections at \$5.50 rates for RCRA/PCB and All Other Waste, which is distributed to the General Fund, is appropriated to ADEM.

\$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

Grams Marijuana	<u>Cost Per Stamp</u> Controlled Substance by Weight
1 \$ 3.50	\$ 200
5 \$17.50	\$1,000
10 \$35.00	\$2,000
20 \$70.00	\$4,000

Dosage Units	<u>Cost Per Stamp</u> 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 and Sections 32-7B-1 through 32-7B-7, Code of Alabama 1975.

Basis

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

Rate

If it is determined that a vehicle was not insured in accordance with the MLI law, the department will suspend the motor vehicle registration. The registration reinstatement fee will be \$200 for the first 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 licensing official's office.

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 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 licensing 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.

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
Transfer of certificate of title	\$15
Notice of security interest	\$15
Assignment by lien holder	\$15

Title history	\$15
Corrected title	\$15
Salvage title	\$15
Title printout*	\$ 5
Registration printout*	\$ 5
Notice of Junk Cancellation**	\$ 5

Payment

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

Designated agents are all licensing officials in Alabama who are authorized and required by law to issue motor vehicle license plates, 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 Dealer, Rebuilder, Wholesaler and Off-Site Licenses

Authority

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

Basis

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

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

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

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

Rate

New motor vehicle dealer	\$25
Used motor vehicle dealer	\$25
Wholesaler	\$25

Rebuilder	\$25
Each additional place of business	\$25
Off-site sales license	\$25 (Limited to three per dealer license year.)

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

Payment

Applications are filed with the department online at <https://dealerlicense.mvtrip.alabama.gov> for new, renewal, and off-site licenses. Dealers may apply for licenses beginning August 1 of each year. Licenses expire on September 30 of each year. Off-site licenses are only valid for 10 consecutive calendar days. Visit http://revenue.alabama.gov/motorvehicle/pdf/Dealer_License_Brochure.pdf for more information.

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
Hearses and ambulances (based on city population)	\$15 to \$55
Trucks and truck-tractors (based on gross wt.)	\$23 to \$890
Motor homes (based on gross wt.)	\$23 to \$890
Commercial trailers	\$20
Travel and utility trailers	\$12
Rental utility trailers	\$15
Permanent trailers	\$60

Payment

Remit to license plate-issuing official in county/city 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, and 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

Effective August 1, 2014, the per retail transaction occurring in this state increased to \$1.75.

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, whose owners are less than 65 years of age, are exempt from state levied property taxes not to exceed \$4,000 in assessed value, or 160 acres in area for any resident of this state who is not over 65 years of age.

Homesteads of residents of this state, over 65 years of age, or who are retired due to permanent and total disability, regardless of age, or who are blind as defined in Section 1-1-3, regardless of age or whether such person is retired, shall be exempt from all state levied property taxes.

Homesteads, whose owners are less than 65 years of age, are exempted from county levied property taxes, except countrywide and school district property taxes levied for school purposes, not to exceed \$2,000 in assessed value, nor 160 acres in area. An additional exemption, not to exceed \$4,000 in assessed value may be granted for county and municipal taxes, provided county wide school district or municipal school district 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 reflected on the most recent state income tax return or some other appropriate evidence, or who are retired due to permanent and total disability, regardless of age, or who are blind as defined in Section 1-1-3, regardless of age or whether such person is retired, are exempted from property taxes levied by any county of this state, including taxes levied for school districts, not to exceed \$5,000 in assessed value, nor 160 acres in area.

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

Property tax exemptions include state, county, and municipal property; property devoted exclusively to religious worship, educational, or charitable purposes; household and kitchen furniture; farm tractors, farming implements used for agricultural purposes by the owner; stocks of goods, wares, and merchandise; and manufactured homes rented or leased, not located on land owned by the manufactured home owner (these homes must be registered).

In order to encourage the development of new industry in the state, as well as to encourage the expansion of existing industry, there are provisions in the law for exemptions from property taxes in some cases.

Manufacturers of calcium cyanamid, aluminum, or aluminum products are specifically exempt from all state, county, and municipal property tax levies for ten years.

Payment

Individuals, partnerships, corporations, etc., pay tax annually to county tax collectors between October 1 - December 31, following assessment.

Public utilities and railroads file returns annually with the Alabama Department of Revenue, Property Tax Division, by March 1. Assessments are made by the department and collected by the counties.

Distribution

3 mills: (46.15%) – Public School Fund

2.5 mills: (38.46%) – General Fund

1 mill: (15.38%) – Human Resources Fund

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 \$2,500 or greater during the preceding calendar year shall pay, by the 20th day of the month in which the liability occurs, an estimated amount equal to the lesser of 2/3 of the taxpayer's actual tax liability for the same calendar month of the preceding year or 2/3 of the current month's estimated liability.

Distribution after the deduction of collection costs

Education Trust Fund, except as follows:

- \$ 378,000 is distributed to the Counties.
- \$1,322,000 is distributed to the Department of Human Resources.
- 42% of the 2% tax on gross proceeds from sale of automotive vehicles and from sale of mobile home set-up materials and related supplies goes to the General Fund.
- An amount equal to 5% of the value of food stamp benefits issued statewide in excess of the amount paid by recipients is distributed to the Department of Human Resources.
- An amount for debt service is distributed to the Alabama Public School and College Authority.
- Revenue generated from \$400 discount cap goes to pay debt service on bonds issued by the Alabama State Parks System Improvement Corporation and/or the Alabama Public Historical Sites and Parks Improvement Corporation and to pay the greater of \$5 million or \$5 million adjusted by a percentage growth in receipts from the cap allocated to the Department of Conservation and Natural Resources for repairs and capital outlays for state parks. The balance goes to the General Fund. Act No. 2011-642, effective October 1, 2011, amended Section 40-23-35, Code of Alabama 1975, to change the distribution of the sales tax discount. The act provides that only for fiscal years ending September 30, 2012 and September 30, 2013, the \$5 million normally disbursed to the Department of Conservation and Natural Resources will, instead, be disbursed to the State General Fund.

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. Additionally, effective April 8, 2014, any cigarettes and roll-your own sold in a transaction not exempted from Alabama taxation by federal statute or constitution shall also be shown on the monthly report. It also provides for a yearly certification by all tobacco products manufacturers (TPMs) wishing to distribute their product in the State. All

tobacco product manufacturers are required to have their name and brand(s) listed on the Directory of Cigarettes Approved for Stamping and Sale in Alabama to legally distribute their products in the State.

Payment

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

100% - General Fund

Tobacco Tax

Authority

Sections 40-25-1 through 40-25-29 and 40-25-40 through 40-25-47, Code of Alabama 1975.

Basis

Sale, storage, use, or distribution of tobacco products by wholesalers, retailers, and consumers.

Rate

42.5¢ on each package of 20 cigarettes. On other tobacco products such as cigars, filtered cigarettes (effective 10/1/14), cigar wrappers, smoking tobacco, chewing tobacco, and snuff, rates vary, depending on weight or number of cigars received (effective 10/1/14).

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

respecting a person are:

The tax is:

Not more than \$40,000

4% of gross sales or gross receipts

Over \$40,000 but not over \$60,000

\$1,600 plus 3% of excess over \$40,000

Over \$60,000

\$2,200 plus 2% of excess over \$60,000

Tax on utilities furnishing telegraph or telephone services:

6% on gross sales or gross receipts

Payment

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

Taxpayers with an average monthly tax liability of \$10,000 or more during the prior calendar year, pay by the 20th of month in which liability occurs an estimated amount no less than the actual tax liability for the same month during the preceding year.

Distribution

\$14,600,000 – Special Mental Health Trust Fund

Remainder – Education Trust Fund

2.2% Utility License Tax

Authority

Sections 40-21-50 through 40-21-51 and 40-21-53, Code of Alabama 1975.

Basis

License tax for operating a public utility (hydroelectric, 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. Transmix is exempt from this fee. Biodiesel sold to a licensed supplier at the terminal is exempt from this fee.

Rate

\$.0075 per gallon of diesel fuel.

Payment

By October 14, file and remit the amount due to the Alabama Department of Revenue, Business & 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 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 Dealer Licenses	ALL									
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.
\$0.135 monies: State Mining Academy, State Docks Bulk Hand Facility Trust Fund, various

- counties and other agencies per Section 40-13-6.
- (15) Administrative cost to Alabama Department of Revenue for Salvage Vehicle Inspection Program.
 - (16) That portion attributable to the use of gasoline shall be distributed in the manner of the gasoline tax. That portion attributable to the use of diesel fuels shall be distributed in the manner of the diesel fuels tax.
 - (17) Department of Transportation – Aeronautics Division.
 - (18) Prorated to participating states.
 - (19) Sales tax on automotive vehicles - 58%, Education Trust Fund; 42%, General Fund. Discount cap revenues to state parks and Foster Children Program.*
 - (20) Use tax on automotive vehicles - 58%, Education Trust Fund; 42%, General Fund. Discount cap revenues to Department of Conservation and Natural Resources.*
 - (21) Alabama Health Care Trust Fund.
 - (22) Distribution of funds based upon the waste type. Note: General fund distributions are also subject to a county guarantee.
\$5.50 RCRA/PCB and All Other Wastes – 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
 - (23) 100% to the Alabama Underground and Aboveground Trust Fund.
 - (24) 15% to the Pensions and Security Trust Fund.
 - (25) Appropriated amount for annual payment of principal and interest due to outstanding Alabama Revolving Loan Fund Authority bonds. \$1.5 million to Special Education Trust and remainder to the State General Fund.
 - (26) 100% to the Department of Environmental Management – Scrap Tire Fund.
 - (27) 100% of 13 cent levy – Road and Bridge Fund
4.69% of 6 cent levy – distributed equally among the 67 counties
.93% of 6 cent levy – distributed to incorporated municipalities as provided in § 8-17-91(a)(2)c
Remainder of 6 cent levy – Road and Bridge Fund
 - (28) Counties where severance occurs.
 - (29) Of 100% collected: 61.18% - Medicaid, with up to \$2 million to local governments to defray the cost of obtaining and affixing stamps. Of the remaining 38.82%: 66.67% to General Fund; 9.09% to Health; 12.12% to Mental Health; 6.06% to Parks (Conservation); 6.06% to Welfare (Human Resources).
 - (30) From the net proceeds Revenue receives, 15% is distributed to the Alabama Peace Officers' Annuity and Benefit Fund. Administrative costs for the MLI program are paid and any remaining funds are distributed to the General Fund.
 - (31) 100% to Medicaid.
 - (32) 25% to the Alabama Recycling Fund; 25% to the Solid Waste Fund; 45% to the Alabama Department of Environmental Management; 4% Administrative Collection Allowance for owners & operators; 1% Administrative Collection Allowance for ADOR.
 - (33) Education Trust Fund
 - (34) All property taxing jurisdictions receive their proportional share of the taxes, fees, and interest upon the sale of tax delinquent property. State portion of funds: General fund receives 38.461% for costs, and interest on the costs; Education Fund receives 46.154% and Human Resources receives 15.385%
 - (35) Commercial Mobile Radio Services Board and, upon the effective date of the statewide 9-1-1 charge, to the statewide 9-1-1 Board.
 - (36) Additional \$5.00 issuance fee is distributed to the Alabama Housing Foundation.
 - (37) The Revenue Commissioner will annually distribute the funds in the Failing Schools Income Tax Credit 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.
		Automotive dismantlers and parts recyclers' annual MV records 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 dealer, rebuilder, wholesaler and off-site licenses 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 2014 Regular Session

Act 2014-015 (SB 207)

Prohibits Imposition of Business License Tax on Rental of Residential Real Estate on Per Unit Basis

This act prohibits a municipality from imposing a business license tax on the rental of residential real estate on a per unit basis unless the municipality was imposing a business license tax on residential real estate on a per unit basis prior to January 1, 2014; term "business license tax" does not include a privilege or license tax in the nature of a lodging tax; this act does not prohibit a municipality or related board or entity from imposing fees on commercial or residential developments or projects.

Effective Date: February 18, 2014

Act 2014-133 (SB 173)

Requires State, Counties, Municipalities and Other Governmental Entities to Disclose Certain Information Following the Purchase of Real Property

This act requires the state, a county, a municipality, any other governmental entity, or any quasi-governmental entity to disclose information concerning the purchase of any real property with public funds within 60 days following the purchase; if the purchase is tied to a specific economic development project, disclosure is not required until 60 days following the announcement of the project; if purchase is tied to an acquisition for public utility or public works purposes as a part of a single project or the acquisition of rights-of-way, disclosure is not required until 60 days following the acquisition of the last parcel of property; the disclosure required will include any appraisals done on the property, any contracts related to the purchase, all terms of the purchase, the source of all funds used in the purchase and any other related materials; the required disclosure of appraisal information will be limited to the property identification, appraiser identification, date of appraisal and the appraised value; the disclosure will be made via a report available to the public, will be attached to the minutes for the next scheduled meeting of the body following the purchase and, if applicable, will be published on the body's website; disclosure is not required if the decision to purchase the property is made at an open meeting of the purchasing entity for which advance notice was given as required by law and the minutes of that meeting include all of the required disclosure information.

Effective Date: June 1, 2014

Act 2014-144 (HB 02)

Alabama Limited Liability Company Law of 2014

This act adds Chapter 5A of Title 10A, comprised of Sections 10A-5A-1.01 to 10A-5A-12.08, to the Code of Alabama 1975; amends Sections 10A-1-1.03 and 10A-1-1.08; Sections 10A-5-1.01 to 10A-5-9.06 will be repealed on January 1, 2017; states that a member of a Limited Liability Company (LLC) is not liable for a debt, obligation, or liability of the LLC or a series thereof; provides that members can be relieved of liability if they "relied in good faith" on the records of the entity or a statement by another member; LLC is allowed to re-instate after dissolution and can set up series of assets with only certain members of the entity - like a division within the LLC; protects the series of assets from other liabilities of the entity; a Single Member LLC is included as an organization under this act for means of limiting liability; if a company converts to a LLC, the debts do not transfer to the converted organization; provides for claims against dissolved series; governs all LLCs formed after January 1, 2015, except an LLC that elects to be subject to this chapter.

Effective Date: January 1, 2015. Repealed Sections effective January 1, 2017.

Act 2014-146 (HB 105)

Creates the Alabama Tax Tribunal

This act adds Chapter 2B to Title 40 of the Code of Alabama 1975; amends Sections 40-2A-3, 40-2A-4, 40-2A-5, 40-2A-7, 40-2A-8 and 40-18-27; repeals Section 40-2A-9; creates an independent executive branch agency, the Alabama Tax Tribunal; replaces the Administrative Law Division with the tribunal and Administrative Law Judge within the Department of Revenue for hearing appeals of tax matters and other matters of the Department of Revenue as well as certain participating self-administered counties and cities; provides hiring and replacement of a judge or judges of the tribunal and for the functions of the tribunal; judges required to have the requisite knowledge and experience to hear and resolve disputes between taxpayers and the Department of Revenue or taxpayers and any self-administered county or municipality that has elected to participate with the tribunal; creates an "Associate Alabama Tax Tribunal Judge" and a "Chief Alabama Tax Tribunal Judge" or "Chief Judge"; self-administered counties or municipalities participating with the tribunal will have the same authority provided to the Commissioner of the Department of Revenue relating to installment payments with respect to taxes administered or collected by the self-administered county or municipality; revises the date the final assessment was made from the time it was entered to the date the assessment was mailed.

Effective Date: March 11, 2014. This act applies to: 1) all proceedings commenced in the Alabama Tax Tribunal on or after October 1, 2014, and 2) all administrative proceedings commenced prior to October 1, 2014, that have not been the subject of a final and irrevocable administrative action as of October 1, 2014. Any administrative proceeding where a hearing commenced prior to October 1, 2014, will be transferred to the Alabama Tax Tribunal. This act will not affect any proceeding, prosecution, action, suit or appeal commenced in the judicial branch before October 1, 2014. The appointment of a chief judge to the Alabama Tax Tribunal will take effect on July 1, 2014.

Act 2014-147 (HB 384)

Income Tax Credit for Contributions to Qualifying Educational Expenses Directly Associated with Career-Technical Enrollment Program

This act provides a state income tax credit to individuals and businesses that make contributions to the Department of Post-secondary Education for qualifying educational expenses directly associated with the Career-Technical Dual Enrollment Program as defined by the State Board of Education; credit may be claimed by the taxpayer, who is not a dependent of another taxpayer; amount of the credit is equal to 50% of the total contribution, but cannot exceed 50% of the taxpayer's total Alabama income tax liability, and in no case more than \$500,000 for any given tax year; any unused portion of the credit may be carried forward for 3 years; the cumulative amount of tax credits issued pursuant this act shall not exceed \$5,000,000 annually; the Department of Revenue, in conjunction with Department of Post-secondary Education, is responsible for developing procedures to notify the taxpayers when the \$5,000,000 annual limitation has reached; the Commissioner of Revenue shall annually report the total amount of tax credits claimed and authorized as per this act, on or before the fifteenth day of each regular session, to the Director of Finance, the Chair of the House Ways and Means Education Committee, and the Chair of the Senate Finance and Taxation Education Committee.

Effective Date: March 11, 2014. The tax year beginning date for the credit is January 1, 2015.

Act 2014-157 (HB 365)

Creates the Facilitating Business Rapid Response to Declared Disasters Act of 2014

This act creates the Facilitating Business Rapid Response to Declared Disasters Act of 2014; provides for establishing presence, residency, or doing business in the state for out-of-state businesses, including affiliates of in-state businesses, that temporarily provide resources and personnel in the state during a state of emergency declared by either the Governor, the President of the United States, the Legislature, or other authorized representative; provides that out-of-state businesses will be authorized to repair, renovate, install, as well as provide services for business activities that relate to infrastructure that has been damaged, impaired or destroyed; provides that out-of-state businesses will be exempt from income tax or other business taxes and exempts them from the payment of use tax on equipment brought into the state during a disaster period.

Effective Date: March 13, 2014

Act 2014-158 (HB 400)

Establishes a Uniform Motor Vehicle Dealer License

This act amends Sections 40-12-264, 40-12-390, 40-12-391, 40-12-392, 40-12-395, 40-12-396, 40-12-398 and 40-12-400; requires a uniform motor vehicle dealer license for all motor vehicle dealers except dealers selling trailers not subject to titling; dealer must present dealer regulatory license and applicable dealer privilege license to obtain dealer license plates; allows a new motor vehicle dealer to purchase a maximum combined total of 25 dealer and motorcycle dealer license plates; allows a used motor vehicle dealer to purchase a maximum combined total of 10 dealer and motorcycle license plates; allows any new or used dealer who completes 1,500 or more applications for title involving title transfer to purchase a maximum 25 additional combined dealer and motorcycle license plates; allows county license plate officials to charge an additional \$1.75 issuance fee for manufacturer license plate to be deposited in the county general fund for the operation of the Issuing official's office; requires motorcycle and trailer dealers to obtain a dealer regulatory license provided under 40-12-391; trailer dealers who do not sell trailers that are subject to titling are exempt from this requirement; includes the "wholesale" and "rebuilder" license categories in the "new" license category; includes the "wholesale" and "rebuilder" license categories in the "used" dealer license category; eliminates the "reconditioner" license category and combines it with the "rebuilder" license category; increases the dealer license fee from \$10 to \$25 for each dealer license category; provides for a civil penalty up to \$5,000 for a licensee who fails to maintain blanket liability insurance; decreases the requirement for applying for an off-site license from 14 days to 1 day prior to the sale; allows a dealer license to be revoked if the dealer's designated agent status is revoked; increases the surety bond amount to \$25,000 for all motor vehicle dealers and provides that the bond will also satisfy the designated agent bonding requirements provided in Section 32-8-34.

Effective Date: Section 1 will become effective October 1, 2014. Section 2 will become effective August 1, 2014.

Act 2014-211 (HB 434)

Changes Effective Date of Act 2013-443 to August 1, 2014

This act changes the effective date of Act 2013-443 of the 2013 Regular Session from October 1, 2014, to August 1, 2014; Act 2013-443 exempts certain durable medical equipment and supplies billed to a third party payer, pursuant to a prescription, from state, county and municipal sales and use taxes.

Effective Date: April 2, 2014. Effective date of Act 2013-443 is changed to August 1, 2014.

Act 2014-262 (HB 404)

Tobacco Products; Definitions Revised and Archaic Language Removed, Wholesaler Invoices Computerized; Penalties Imposed

This act amends Sections 40-25-1, 40-25-2, 40-25-4, 40-25-7, 40-25-8, 40-25-9, 40-25-13, 40-25-20 and 40-2A-10; adds Section 40-25-16.1; defines terms relating to wholesale dealers and jobbers; separates little cigars from filtered cigarette-sized cigars; eliminates cigar categories for which tax is no longer applicable; removes archaic language requiring distributors to cancel a stamp when it has been affixed to tobacco products; requires the state tobacco tax amount to be separately stated on the wholesaler invoice; requires retailers to maintain 90

days of invoices; requires computer and machine generated invoices which show the seller's or supplier's name; Department of Revenue penalties would apply for failure to maintain records; provides for confiscation of tobacco if invoices are not maintained or if products are stored by non-permitted or non-registered entities; provides for Department of Revenue penalties for reusing or refilling tobacco containers or otherwise violating any provision of Chapter 25, requires each wholesaler, jobber, semijobber, registered retailer, importer or other person selling, receiving or distributing tobacco products in Alabama for resale to file a report of its activity to the Department of Revenue between the first and twentieth of each month; provides for additional reporting and web site listing by the Department of Revenue of permitted and registered tobacco distributors.

Effective Date: October 1, 2014. No later than 90 days after the passage of this act (April 2, 2014), the Commissioner of Revenue will establish a web site for listing each wholesaler, jobber, semi jobber, retailer, importer or distributor of tobacco products that have qualified or registered with the Department of Revenue.

Act 2014-284 (HB 235)

General Fund Appropriations Bill

This act makes appropriations for the ordinary expenses of the executive, legislative and judicial agencies of the State, for other functions of government, for debt service, and for capital outlays for the fiscal year ending September 30, 2015.

Effective Date: October 1, 2014

Act 2014-287 (SB 265)

Authorizes ADOR to Contract with Third Party to Manufacture and Distribute License Plates and Validation Decals

This act adds Section 32-6-64.1 to the Code of Alabama 1975; authorizes the Department of Revenue to contract with a third party to manufacture and distribute license plates and validation decals; the amount distributed to the Department of Corrections, prior to the effective date of this act, will not be reduced except by the amount of the cost of material, production, and distribution of license plates which would have been incurred if the plates were produced by the Department of Corrections; any amounts distributed to the Department of Corrections pursuant to subsection 32-6-64.1(b) are continuously appropriated to the Department of Corrections for departmental operations; the distribution of a license plate or validation decal pursuant to Section 32-6-64.1 will not affect the issuance fee of the judge of probate or other license plate issuing official.

Effective Date: April 7, 2014

Act 2014-293 (SB 61)

Alabama Business and Nonprofit Entities Code; Merger and Conversion Provisions Revised

This act amends Sections 10A-1-4-.02, 10A-1-8-.01, 10A-1-8-.02 and 10A-1-8-.04; revises certain provisions relating to merger and conversion in the Alabama Business and Nonprofit Entities Code; clarifies "governing documents" and "personal liability" regarding conversions; defines "entity without owners"; clarifies "statement of conversion"; specifies process of conversion for these entities without owners; clarifies a "plan of merger"; specifies plan of merger for nonprofit corporations; clarifies "delayed effective date" for mergers.

Effective Date: July 1, 2014

Act 2014-295 (SB 86)

Grants Military Personnel on Deployment during Any Part of His/Her Motor Vehicle License Renewal Month an Additional 30 Calendar Days from Date Deployment Ends to Renew Motor Vehicle Registration without Incurring Late Registration Penalty

This act amends Section 32-6-65; provides that any person on military deployment during any part of his/her designated registration renewal month, except a person with a discharge characterization of "dishonorable" or "other than honorable", who renews his/her motor vehicle registration within 30 calendar days from the date deployment ends will not be assessed a late registration penalty or associated interest charges; documents used as evidence of military deployment are: military deployment orders, a government issued Statement of Service

letter, Form DD214 "Certificate of Release or Discharge from Active Duty" or a letter from the registrant's unit commander certifying the date his/her deployment ended.

Effective Date: July 1, 2014

Act 2014-299 (SB 162)

Alabama Uniform Partition of Heirs Property Act

This act creates the Alabama Uniform Partition of Heirs Property Act; supplements Chapter 6 of Title 35; preserves the right of a cotenant to sell his or her interest in inherited real property; provides certain due process protections to other cotenants to prevent a forced sale, including notice of heirs property, court-determined fair market value appraisal, and the right of first refusal; provides that, if the other cotenants do not exercise their right to purchase property from the seller, the court must order a partition-in-kind if feasible or a sale of the real property by an open market sale, with or without a broker or brokers, by sealed bids, public auction, or private sale.

Effective Date: April 7, 2014, for partition actions filed on or after January 1, 2015.

Act 2014-301 (SB 188)

County Officials Authorized to Issue Motor Vehicle Registrations May Offer Optional Two-Year Registration for Motor Vehicles Operated on State Public Highways

This act authorizes a county commission, in consultation with the local judge of probate or other county license plate issuing official authorized to issue motor vehicle registrations, to offer an optional two-year registration renewal for motor vehicles operated on the public highways of Alabama; to be able to renew his/her motor registration for a two-year period, the registrant must do all of the following: 1) pay the local issuance fee for the first year of registration and 2) pay the license taxes, ad valorem tax and registration fees for each year at the time of the election to renew the registration for two years.

Effective Date: January 1, 2015

Act 2014-316 (HB 151)

Small Business Tax Relief Act of 2014; Increases Threshold of Sales Tax Estimated Payments from \$1,000 to \$2,500

This act, known as the Small Business Tax Relief Act of 2014, amends Section 40-23-7; increases the average monthly state sales tax liability threshold for a taxpayer required to make estimated sales tax payments from \$1,000 or greater to \$2,500 or greater; taxpayers with a monthly tax liability of \$2,500 or greater during the preceding calendar year will make estimated payments to the Department of Revenue on or before the 20th day of the month in which the liability occurs.

Effective Date: August 1, 2014

Act 2014-318 (HB 229)

Appropriates Tobacco Settlement Revenues from Children First Trust Fund

This act appropriates funds from the Children First Trust Fund for the fiscal year ending September 30, 2015 to the entities and for the purposes designated in Section 41-15B-2.2; provides for the deposit of tobacco settlement revenues into the Children First Trust Fund within thirty calendar days of receipt of those tobacco revenues; requires written notification of anticipated agency allocations by the State Director of Finance; requires quarterly allocations; makes a conditional appropriation and allocation of additional funds upon recommendation of the Director of Finance, Chairman of the House Ways and Means General Fund Committee, the Chairman of the Senate Finance and Taxation-General Fund Committee, and approval by the Governor.

Effective Date: April 7, 2014

Act 2014-321 (HB 82)

Allows All Alabama Municipalities and Counties to Offset State Individual Income Tax Refunds for Debts Owed Resulting from Any Administrative or judicial Proceeding

This act amends section 40-18-100 and 40-18-103; allows all municipalities and counties in Alabama to offset state individual income tax refunds for debts owed to them as a result of any administrative or judicial proceeding; a county or municipality may submit a debt of at least \$25 owed to it for collection; a county or municipality must submit the debt to the Department of Revenue through the Association of County Commissions of Alabama or an entity established through the Association of County Commissions of Alabama, or the Alabama League of Municipalities or an entity established through the Alabama League of Municipalities; the organization that submits a debt on behalf of any county or municipality may assess a fee of \$25 for submitting the debt.

Effective Date: July 1, 2014

Act 2014-325 (HB 129)

Exempts Tangible Personal Property, Including School Lunches, of Alabama Private School Institutions, Colleges and Universities from Sales and Use Tax

This act amends Sections 40-23-4 and 40-23-62; exempts the gross proceeds of sales to or the storage, use, or other consumption of tangible personal property by private education institutions operating in Alabama offering conventional and traditional courses of study, such as those offered by public schools, colleges, and universities located in Alabama, not including nurseries, day care centers, and home schools; exempts lunches sold to school children of either public or private schools, not for profit, while in school buildings; this act applies retroactively to all open tax periods and all periods for which a preliminary or final assessment of tax could be entered pursuant to Section 40-2A-7; no refunds will be due or issued with respect to the periods prior to the effective date of this act.

Effective Date: April 7, 2014. Retroactive to all open tax periods and all periods for which a preliminary or final assessment of tax could be entered pursuant to Section 40-2A-7.

Act 2014-331 (HB 97)

Suspends the Collection of a Tax/Fee if Cost of Administration is Greater than Collections

This act amends Section 40-1-49; allows the Department of Revenue, by administrative rule, to suspend the collection of a tax or fee when the administrative cost of the collection exceeds the collection amount of the tax or fee for each of the previous three fiscal years; if the suspension of the tax or fee collection would result in reduced local revenues, the department is required to notify the affected localities prior to filing a notice to promulgate an administrative rule, pursuant to the Administrative Procedures Act; the suspension of the tax or fee is prohibited if the tax or fee is mandated by federal law or regulation, or if suspending the collection would result in reduced funding received from the federal government that exceeds the state cost of collections; the suspension is also prohibited if the collection of the tax or fee would result in a reduction in collection of state and local taxes or fees that exceed the state costs of collecting the tax or fee, or if suspending collection would have a negative effect on public health, safety or welfare; administrative rules promulgated will not be applied retroactively and shall be reviewed not less than every five years at which time, should it be determined, that the administrative cost of collecting a tax or fee no longer exceeds the total amount of tax or fee that could be collected, the corresponding rule suspending the collection of the tax or fee will be repealed by the department.

Effective Date: July 1, 2014

Act 2014-336 (HB 373)

Prepaid Wireless Service Evidenced by Physical Card and Prepaid Wireless Service not Evidenced by Physical Card Subject to Sales and Use Tax

This act amends Sections 40-23-1 and 40-23-60; amends the definition of a "prepaid telephone calling card" in both the sales and use tax code; clarifies that prepaid wireless service that is evidenced by a physical card and prepaid wireless service that is not evidenced by a physical card are subject to sales and use tax; the sale of prepaid wireless service that is evidenced by a physical card constitutes the sale of a prepaid telephone calling

card; the sale of prepaid wireless service that is not evidenced by a physical card constitutes the sale of a prepaid authorization number; defines prepaid wireless service as the right to use mobile telecommunications service, which must be paid for in advance and that is sold in predetermined units or dollars of which the number declines with use in a known amount, and which may include rights to use non-telecommunications services or to download digital products or digital content; prevents the state and/or local taxing authorities from seeking payment for sales tax not already collected on prior transactions.

Effective Date: July 1, 2014. For transactions that occurred prior to the effective date of this act in which the consumer did not receive either an authorization number or a physical card, neither the Department of Revenue nor local tax officials can seek payment for sales tax not collected. This limitation to collect tax does not apply to audits that began or assessments that were entered prior to the effective date of this act. Regarding these transactions where sales tax was collected and remitted, neither the taxpayer nor the entity remitting sales tax has the right to seek a refund.

Act 2014-341 (HB 449)

Tobacco Master Settlement; Defines Importer of Tobacco Products; Expands Definition of Units Sold; Revises Escrow Deposit Obligations

This act amends Sections 6-12-2, 6-12-3, 6-12A-2, 6-12A-3 and 6-12A-5; defines an importer of tobacco products; expands definition of "unit sold" to include cigarettes sold to certain consumers without payment of the cigarette excise tax and exclusion of certain cigarettes made in certain tax exempt transactions; makes the importer jointly and severally liable with the tobacco products manufacturer of cigarettes for escrow deposit obligation; provides for seizure and forfeiture of cigarettes for failure to deposit funds into escrow; requires both the nonparticipating manufacturer and importer or importers of cigarettes to appoint agents for service of process; requires the nonparticipating manufacturer to hold a valid permit under 26 U.S.C. § 5713; provides for nonparticipating manufacturer bond requirements; further provides for disclosure of information; nonparticipating manufacturer required to post a bond as escrow deposit at least 10 days in advance of each calendar quarter as a condition to being included in the state directory for that quarter.

Effective Date: April 8, 2014. Provisions relating to the bond requirement of Section 6-12-5(f) will not be effective until 10 days before the beginning of the first quarter of 2015.

Act 2014-406 (HB 257)

Allows Married Taxpayers Filing Separate Returns to Claim the Optional Standard Deduction if the Spouses have Lived Apart for the Entire Year

This act amends Section 40-18-15; allows married taxpayers filing separate returns, who have lived apart the entire tax year, to independently claim either the optional standard deduction or itemized deductions; neither spouse can claim a deduction for expenses paid by the other spouse.

Effective Date: July 1, 2014, for tax returns filed for the 2014 and subsequent tax years.

Act 2014-407 (HB 276)

Exempts Community Action Association of Alabama from All State, County and Municipal Sales and Use Taxes

This act exempts the Community Action Association of Alabama and its member agencies from the payment of all state, county and municipal sales and use taxes; this exemption does not apply to county or municipal sales and use taxes unless approved by resolution of the respective local governing body.

Effective Date: July 1, 2014

Act 2014-408 (HB 552)

Suspends Requirement to Obtain Annual Decal from Liquefied Petroleum Gas Board for Motor Vehicles that Use Natural Gas

This act suspends the requirement that the Liquefied Petroleum Gas Board issue a decal for vehicles using compressed or liquefied natural gas and the collection of the excise tax until October 1, 2016; establishes

conversion rates for compressed natural gas and liquefied natural gas from pounds to gallons; after October 1, 2016, the excise taxes will be \$ 0.16 for compressed natural gas and \$0.19 for liquefied natural gas if no weights and measures standards are set; this act does not apply to the remainder of Article 3A of Chapter 17 of Title 40.

Effective Date: April 9, 2014

Act 2014-413 (HB 48)

Tax Credit for Private Intrastate Adoption or Adoption of Qualified Foster Child

This act provides for a one-time, refundable income tax credit in the amount of \$1,000 (per child) for a private intrastate adoption or the adoption of a qualified foster child; credit must be claimed in the year in which the adoption becomes final; minors adopted after effective date of this act, who are at least 14 years old, and are adopted from the Alabama foster care system are eligible for \$15,000 in post-secondary educational assistance; funding for educational assistance will become effective October 1, 2016; income tax credit will be effective January 1, 2014, for the 2014 taxable year and subsequent taxable years.

Effective Date: April 9, 2014. Income tax credit effective January 1, 2014, for the 2014 tax year and subsequent tax years. Post-secondary educational assistance will be effective October 2, 2016.

Act 2014-415 (HB 108)

Optional Non-Itemized Short Form for Filing Business Personal Property Tax Return

This act provides for an optional non-itemized short form for certain taxpayers to file their taxable personal property each year; requires the creation of a state portal that taxpayers may use to electronically file their Business Personal Property Return with any county in the state; short form allow taxpayers who own taxable tangible personal property that has a total acquisition cost of less than \$10,000 to file the short form in place of filing an itemized listing of their assets; provides provisions for the audit of any short form account and penalties for falsely filing the short form when it is determined that the assets actually had a total acquisition cost greater than \$10,000; requires the Department of Revenue to develop and implement a state portal through which taxpayers may file their yearly Business Personal Property Return with the appropriate county; implementation of the state portal must be ready by October 1, 2016; county tax assessing and tax collecting officials will not be prevented from providing an electronic system for the filing of applicable business personal property tax returns; county tax assessing and tax collecting officials will not be prevented from enforcing mandatory electronic filing of a business personal property tax return pursuant to a local act of the Legislature.

Effective Date: July 1, 2014. Implementation of the online system/state portal must be ready by October 1, 2016. The "short form tax return" must be developed by October 1, 2014.

Act 2014-418 (HB 568)

Restores Hazardous Waste Disposal Fee Distribution

This act amends Section 22-30B-2.1; provides for the distribution of hazardous waste fees between the county in which a commercial hazardous waste disposal site is located and the State General Fund; revenues generated pursuant to Section 22-30B-2(1) are distributed as follows: 1) twenty-five percent to each county having a commercial site for the disposal of hazardous waste or hazardous substances and 2) seventy-five percent to the State General Fund with the first four hundred fifty thousand dollars each year earmarked to the Department of Environmental Management.

Effective Date: May 1, 2014

Act 2014-420 (SB 254)

Credit against Insurance Premium; Wind Coverage; Creation of Alabama Coastal Insurance Reform Act of 2014

This act amends Section 27-1-24.1; creates the Alabama Coastal Insurance Reform Act of 2014; revises existing law to provide credits to private property insurance carriers who write homeowners insurance policies, which specifically include wind and hail coverage, in specific geographical locations; the amount of the credit depends on which wind zone the property is located; insurance carriers insuring properties in Zones B4, B5, M4, M5, or

successor zones are allowed a credit equal to 20 percent of the insurance premium tax liability; insurance carriers insuring properties in Zones Gulf Front, B1, B2, B3, M1, M2, M3, or successor zones, are allowed a credit equal to 35 percent of the insurance premiums tax liability; the cumulative amounts of all tax credits in any tax year that may be claimed by an insurance carrier will not exceed \$50,000.

Effective Date: July 1, 2014

Act 2014-430 (SB 312)

Applicants for Licenses Issued by the Department of Revenue Required to Submit FEIN or SSN

This act amends Section 40-12-30; requires an applicant for a license issued by the Department of Revenue to provide their federal tax identification number (FEIN) or Social Security number (SSN) when applying for a new license or renewing a license pursuant to Articles 2, 6, 8 and 9 of Chapter 12, Title 40; licenses affected by this bill are new licenses and renewals of business privilege licenses, store licenses, regulatory dealer and automotive dismantler licenses; county licensing officials must transmit business privilege license application information for new licenses and renewals electronically to the Department of Revenue.

Effective Date: October 1, 2014

Act 2014-442 (HB 349)

Payment of Excess Funds upon Redemption of Property Purchased at Tax Sales

This act amends Section 40-10-28; excess funds arising from the sale of any real estate remaining after paying the amount of the decree of sale, including costs and expenses subsequently accruing, will be paid over to the person or entity who has redeemed the property as authorized in Section 40-10-120 or any other provisions of Alabama law authorizing redemption from a tax sale; proof must be provided to the county commission, within three years after the tax sale has occurred, that the person or entity requesting payment of the excess has properly redeemed the property; the county commission must retain any interest earned on excess funds.

Effective Date: July 1, 2014

Act 2014-444 (HB 450)

Negotiable Instruments Include Electronic Drafts

This act amends Section 13A-9-13.1; relating to the crime of negotiating a worthless negotiable instrument; specifies that a negotiable instrument includes electronic drafts; negotiating a worthless negotiable instrument is a Class A misdemeanor.

Effective Date: July 1, 2014

Act 2014-452 (HB 509)

Clarifies the Historic Tax Credit Transfer

This act amends Sections 40-9F-3, 40-9F-4, and 40-9F-5; allows the tax credit for historic structures to be transferred one time only; once the credit is transferred, only the transferee can utilize the credit and the credit cannot be transferred again; for any transfer, the transferor shall file: 1) a completed transfer statement form; 2) a copy of the tax credit certificate issued by the Commission or the Department of Revenue, as applicable, documenting the amount of tax credits which the transferor intends to transfer; 3) a copy of the proposed written transfer agreement; and 4) a transfer fee payable to the Department in the amount of \$1,000 per transferee listed on the transfer statement form; within 30 days after the Department's receipt of the fully executed written transfer agreement, the Department will issue a tax credit certificate to each transferee listed in the agreement in the amount of the transferred tax credit; allows pass-through entities the ability to allocate the credits; ownership of an entity that is the owner of property contained in the application will not be a factor in The Alabama Historical Commission's review of the application and no subsequent change in the ownership structure of the entity will cause the loss or rescission of a reservation of tax credits.

Effective Date: Retroactive to May 15, 2013. The amendments made by this act to Section 40-9F-4E apply only to tax periods beginning on and after January 1, 2014.

Act 2014-453 (HB 280)

Exempts Durable Medical Equipment, Prosthetics or Orthotic Devices and Medical Supplies from State and Local Sales, Use and Rental Taxes Pursuant a Valid Prescription

This act amends Section 40-9-30; repeals Section 40-9-39.1; exempts durable medical equipment, prosthetics or orthotics devices, and medical supplies, as defined under the Medicare program, that are sold, rented or leased pursuant to a valid prescription and covered and billed to Medicare, Medicaid or a health benefit plan, from all state and local sales, use and rental taxes.

Effective Date: August 1, 2014

Act 2014-456 (SB 184)

Education Trust Fund Appropriations Bill

This act makes appropriations for the support, maintenance and development of public education in Alabama, for debt service and for capital outlay for the fiscal year ending September 30, 2015.

Effective Date: October 1, 2014

Act 2014-457 (HB 30)

Revises Definition of "Agency" in the Alabama Administrative Procedure Act and Allows Agencies to Withdraw a Proposed or Certified Rule

This act amends Sections 41-22-3 and 41-22-23; revises the definition of "agency" in the Alabama Administrative Procedure Act to exclude boards of plans administered by public pension systems; allows an agency to withdraw a proposed or certified rule instead of requiring the joint committee to act on a request by an agency to withdraw a rule.

Effective Date: April 11, 2014

Local Revenue Related Acts 2014 Regular Session

Act 2014-007 (HB 112)

Authorizes Designated City Officers or City Employees in Jefferson County to Issue Motor Vehicle Registrations

This act amends Act 2012-196 of the 2012 Regular Session; allows designated city officers or city employees in Jefferson County to issue motor vehicle registrations, including the issuance of license plates, to residents of the city except when the motor vehicle has not previously been registered in Alabama by or in the current vehicle owner's name; the city council may levy an annual additional issuance fee, not to exceed \$5, for each license plate issued by the city official's office; additional fee is due at the same time the state registration fees are due; fee can only be collected once per vehicle per registration year; additional fee will be deposited into the general fund of the city; additional fee will be used for the operation of the city license plate issuing official's office.

Effective Date: April 1, 2014

Act 2014-009 (SB 301)

Franklin County Authorized to Allocate One-Fourth of One Cent Tax Proceeds to Match Funds for Grants from the Alabama Transportation Rehabilitation and Improvement Program

This act proposes a Constitutional Amendment to authorize the governing body of Franklin County to allocate one-fourth of the proceeds of the one cent tax levied in the county pursuant to Section 40-12-4 for the purpose of matching funds for any grant in the county from the Alabama Transportation Rehabilitation and Improvement Program; the authority granted by this amendment is effective for two years; the authority may be extended for subsequent two-year periods if approved by a majority vote of the voters of Franklin County.

Effective Date: Contingent upon voter approval

Act 2014-055 (HB 189)

Dale County Authorized to Levy Lodging Tax that Excludes Recreational Vehicles and Campgrounds

This act authorizes the Dale County Commission to levy a lodging tax; the amount of the tax will be equal to two percent of the charge for the rooms, lodgings, or accommodations, including the charge for use or rental of personal property and services furnished in the room; rentals or services taxed under Article 1, Chapter 23, Title 40 are excluded from the tax; recreational vehicles and campgrounds are excluded from the tax; proceeds from the tax will be distributed to the Dale County Commission to be used for funding specific economic or tourism development projects, or to provide a program of incentives for economic or tourism development.

Effective Date: May 1, 2014

Act 2014-085 (HB 409)

Franklin County Authorized to Allocate One-Fourth of One Cent Tax for Purpose of Matching Funds for Any Grant from the Alabama Transportation Rehabilitation and Improvement Program

This act proposes an amendment to the Constitution of Alabama; to authorize the governing body of Franklin County to allocate one-fourth of the proceeds from the one cent tax levied in the county pursuant to Section 40-12-4 for the purpose of matching funds for any grant from the Alabama Transportation Rehabilitation and Improvement Program; the authority granted by this amendment is effective for two years and may be extended for subsequent two-year periods if approved by a majority of the voters in Franklin County; provides for county referendum.

Effective Date: Contingent upon voter approval

Act 2014-106 (HB92)

Authorizes Judge of Probate in Elmore County to Establish a Policy on the Sale of or Access to Computerized Index Information or Digitized Images

This act amends Section 45-26-81.22; authorizes Elmore County Judge of Probate to establish a policy on the sale of or access to computerized index information or digitized images; funds received from the sale of the information and images will be paid to the county general fund and expended at the discretion of the judge of probate for acquiring and maintaining equipment, improving the efficiency of the operations of the office, supplementing salaries, and acquiring and maintaining office space.

Effective Date: June 1, 2014

Act 2014-108 (HB 200)

Expedited Quiet Title and Foreclosure Actions in Class 2 Municipalities

This act amends Sections 11-70-1, 11-70-2, 11-70-3 and 11-70-8; provides that Section 40-10-82 will not apply to or affect any cause of action or action brought by a Class 2 municipality; Section 40-10-82 will not remove any limitation of action or extend the period of redemption of any abandoned tax sale properties within the corporate limits of the Class 2 municipality; no action filed pursuant to Section 11-70-3 (order to quiet title and expedite foreclosure) will be subject to the payment of filing fees; interested parties at the quiet title/foreclosure hearing can redeem the property by paying all the taxes, interest, municipal liens, penalties, fees, and any other charges due and owing pursuant to Chapter 10, Title 40, including the amount due to the land commissioner had the property not been sold to the municipality.

Effective Date: March 3, 2014

Act 2014-109 (HB 433)

Allocation and Expenditure of TVA Monies Distributed to 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 2010-134; repeals Act 2013-328; provides provisions for distribution of TVA monies for certain fiscal years.

Effective Date: June 1, 2014

Act 2014-128 (HB 294)

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

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

Effective Date: June 1, 2014

Act 2014-129 (HB 390)

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

This act alters, rearranges, and extends the boundary lines and corporate limits of the municipality of Summerdale in Baldwin County to remove certain property from the corporate limits of the City of Summerdale in Baldwin County.

Effective Date: June 1, 2014

Act 2014-130 (HB 391)

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

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

Effective Date: June 1, 2014

Act 2014-148 (HB 460)

Assessment and Collection of Taxes on Motor Vehicles, Titles and Non-Motorized Vehicles Transferred from Washington County Revenue Commissioner to Washington County Judge of Probate

This act transfers all duties and responsibilities relative to the assessment and collection of taxes on motor vehicles, motor vehicle titles, and non-motorized vehicles from the Washington County Revenue Commissioner to the Washington County Judge of Probate; the judge of probate, in addition to assessing and collecting the ad valorem taxes and sales taxes due to the state and county on motor vehicles will report and pay over the money collected for the municipalities at the same time and in the same manner as state and county taxes and licenses are reported and paid over by him or her; the Comptroller, the Department of Revenue and the Department of Finance will furnish the judge of probate all books, records required by law to be furnished in connection with the performance of their duties; the judge of probate will receive the same fees charged and commissions fixed by law to be paid to tax assessors, tax collectors, revenue commissioners or license commissioners for like services; all fees and commissions will be paid into the Washington County General Fund; the judge of probate can mail license renewal applications in the form of a postcard; the county commission can establish a Mail Order Fee in an amount not more than \$3.00; proceeds from mail order fees will be paid into the county general fund.

Effective Date: June 1, 2015

Act 2014-162 (HB 331)

Authorizes Chilton County to Levy One Cent Sales Tax for the Construction, Maintenance and Operation of Hospital in Chilton County

This act authorizes the Chilton County Commission to levy an additional one cent sales and use tax, subject to a referendum; proceeds shall be used exclusively for the construction, maintenance and operation of a hospital in Chilton County; sales presently exempt under state sales and use tax statutes are exempt from the tax authorized by this act; tax will expire four years from the date the indebtedness issued or incurred for the purpose of providing funds to pay the costs of construction, maintenance and operation of a hospital has been paid; levy becomes operative only if approved by a majority of qualified voters in Chilton County; repealed by Act 2014-422.

Effective Date: Repealed by Act 2014-422

Act 2014-174 (HB 527)

Distribution of Hazardous Waste Disposal Fees in Sumter County

This act amends Sections 2 and 4 of Act 83-480, as amended; contingent upon the enactment of HB568 during the 2014 Regular Session that amends Section 22-30B-2.1, which restores the distribution of the hazardous waste disposal fee revenues equally between the State General Fund and Sumter County; an additional local fee of \$3.50 per ton will be paid by each operator of a commercial site for the disposal of hazardous waste in Sumter County; the fee will be remitted to Sumter County for material that is land filled at the Emelle site; fee excludes any material which is stored, transshipped, recycled or processed for other use; Sumter County will collect the local fee and distribute the proceeds in accordance with the act.

Effective Date: June 1, 2014; contingent upon enactment of HB568 of the 2014 Regular Session.

Act 2014-176 (SB 310)

Transfers Duties for Assessment and Collection of Ad Valorem Taxes on Motor Vehicles from Montgomery County Revenue Commissioner to Montgomery County Judge of Probate

This act provides for the transfer of all duties, responsibilities, and liabilities relating to the assessment and collection of ad valorem taxes on motor vehicles and non-motorized vehicles from the revenue commissioner to the judge of probate; provides for effective date.

Effective Date: June 1, 2014

Act 2014-182 (SB 330)

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: June 1, 2014

Act 2014-183 (SB 331)

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; corrects an error in a description and deletes a parcel; provides for retroactive effect.

Effective Date: Retroactive to August 1, 2013

Act 2014-208 (HB 223)

Distribution of Proceeds of Uniform Beer Tax in Orrville in Dallas County

This act amends Section 28-3-190; provides for the distribution of proceeds of the uniform beer tax for the Town of Orrville in Dallas County; 72.23 percent of proceeds will be paid to Orrville and 27.77 percent will be paid to the Dallas County Commission.

Effective Date: July 1, 2014

Act 2014-210 (HB 346)

Authorizes Geneva County Commission to Levy One Percent Sales Tax for Constructing and Maintaining a Jail

This act authorizes the Geneva County Commission to levy a one percent sales tax, subject to a referendum, for constructing and maintaining a jail; excess proceeds will be used for road and bridge projects; proceeds of all sales presently exempt under the state sales and use tax statutes are exempt from the tax authorized by this act; tax will be collected by the Department of Revenue, the Geneva County Commission or other entity which the county commission contracts to collect the tax at the same time and in the same manner as state sales taxes are collected; sales tax levy becomes operative only if approved by a majority of qualified voters in Geneva County.

Effective Date: Contingent upon voter approval

Act 2014-212 (HB 438)

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

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

Effective Date: July 1, 2014

Act 2014-243 (HB 403)

Limits and Boundaries of the Territorial Waters of Alabama for Management and Protection of Marine Resources

This act amends Section 41-1-1; provides legislative intent regarding the limits and boundaries of the territorial waters of Alabama for management and protection of marine resources; states that the policy and purpose of the State of Alabama by this act is to place the state on equal footing with the other Gulf Coast States regarding the limits and boundaries of territorial waters for management and protection of marine resources; the limits and boundaries of the territorial waters of Alabama for management and protection of marine resources will consist of all territory included within the boundaries described in the Act of Congress of March 2, 1819, together will all territory ceded to Alabama by later acts of Congress or by compacts or agreements with other states extending seaward to a distance of three Marine Leagues.

Effective Date: July 1, 2014

Act 2014-249 (SB 419)

Alters/Rearranges Boundary Lines/Corporate Limits of Lincoln in Talladega County

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

Effective Date: April 2, 2014

Act 2014-266 (HB 545)

Alters/Rearranges Boundary Lines/Corporate Limits of Florence and St. Florian in Lauderdale County

This act alters, rearranges, and extends the boundary lines and corporate limits of the City of Florence and the Town of St. Florian in Lauderdale County to remove certain property from the corporate limits of the Town of St. Florian and add the property to the City of Florence.

Effective Date: July 1, 2014

Act 2014-267 (HB 571)

Creation of a Tourism Board in and for Lauderdale County

This act provides definitions, organization requirements, requirements regarding the Board of Directors, and the powers given to the board; authorizes the Board to conduct programs and events, including, but not limited to, programs of information and publicity, sporting events, and other public events to attract tourists and visitors to the county, and allows the Board to conduct programs or events in the state and elsewhere; allocates a portion of the current lodgings proceeds to fund the creation of the Lauderdale County Board of Tourism; exempts the board from taxation on its property and receipts; Lauderdale County lodging tax rate remains unchanged and only effects the distribution; 75% of the net proceeds shall be distributed to the tourism board, 25% of the net proceeds shall be distributed to the municipalities in which the businesses operate in the corporate limits or the planning jurisdiction of that municipality and 25% shall be distributed to the county from businesses operating in the county but not within the corporate limits or planning jurisdiction of any municipality.

Effective Date: April 2, 2014

Act 2014-291 (SB 457)

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: April 7, 2014

Act 2014-311 (SB 474)

Allows Reimbursement of Payments Made from Jackson County General Fund for Operation of Solid Waste Program

This act allows the reimbursement of payments made from the Jackson County General Fund for or related to the operation of the solid waste program; allows the county commission to receive an administrative fee, in a transfer of funds from the Solid Waste Fund in an amount up to five percent of the gross revenue generated by the Jackson County Solid Waste Program, payable to the County General Fund for administration of the solid waste program.

Effective Date: April 7, 2014

Act 2014-321 (HB 82)

Allows All Alabama Municipalities and Counties to Offset State Individual Income Tax Refunds for Debts Owed Resulting from Any Administrative or Judicial Proceeding

This act amends section 40-18-100 and 40-18-103; allows all municipalities and counties in Alabama to offset state individual income tax refunds for debts owed to them as a result of any administrative or judicial proceeding; a county or municipality may submit a debt of at least \$25 owed to it for collection; a county or municipality must submit the debt to the Department of Revenue through the Association of County Commissions of Alabama or an entity established through the Association of County Commissions of Alabama,

or the Alabama League of Municipalities or an entity established through the Alabama League of Municipalities; the organization that submits a debt on behalf of any county or municipality may assess a fee of \$25 for submitting the debt.

Effective Date: July 1, 2014

Act 2014-409 (HB 582)

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: July 1, 2014

Act 2014-410 (HB 588)

Alters/Rearranges Boundary Lines/Corporate Limits of Spanish Fort in Baldwin County

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

Effective Date: April 9, 2014

Act 2014-416 (HB 586)

Service of Process Fee in Winston County

This act increases the fee for service of process in Winston County to \$20 for each document requiring personal service of process; \$10 of each fee will be distributed to the Winston County Commission for deposit in the Winston County Law Enforcement Fund and the remaining \$10 will be distributed to the Circuit Clerk's Fund for operation of the clerk's office; disposition of the fee will be reported to the Winston County Commission annually; fee will become operative only if approved by a majority of qualified electors in Winston County.

Effective Date: Contingent upon voter approval.

Act 2014-422 (SB 462)

Authorizes Chilton County to Levy One Cent Sales Tax for the Construction, Maintenance and Operation of Hospital in Chilton County

This act authorizes the governing body of Chilton County to levy, by resolution, an additional sales and use tax, proceeds will be used exclusively for the construction, maintenance and operation of hospital facilities in Chilton County; proceeds of sales presently exempt under state sales and use tax statutes are exempt from the tax authorized by this act; the tax authorized will terminate, by resolution, no later than four years from the date all bonds, warrants, notes or other securities or obligations issued have been fully paid and retired; repeals Act 2014-162.

Effective Date: April 10, 2014

Act 2014-426 (SB 441)

Authorizes Automated Speeding Enforcement in the City of Midfield

This act creates the "Midfield Speed Limit Safety Act"; authorizes the automated speeding enforcement in the City of Midfield in Jefferson County as a civil violation; provides procedures for using automated photographic speeding enforcement; owner of vehicle involved is presumptively liable for a civil violation and the payment of a civil fine not to exceed \$100; additional fee of \$10 will be added to the Midfield Municipal Court costs authorized to be collected in connection with notices issued under this act; provides for a late fee not exceeding \$25 for untimely paid civil fines; provides procedures to contest liability; prohibits unauthorized tampering with automated speeding enforcement devices.

Effective Date: April 10, 2014

Act 2014-433 (SB 400)

General and Special Tax Rates Levied by County Commissions Remain in Effect Unless Action is Taken by County Commissions

This act amends Section 40-7-42; provides that the tax levies established by county commissions will remain in effect unless there is a change in the tax rate by general law no later than the last of February prior to the effective date of the change in tax rate; ratifies the collection of any general or special taxes when the levy was not made at the first regular county commission meeting in February; any general or special taxes levied by the county commission prior to the effective date of this act are ratified and confirmed regardless of whether or not the taxes were levied during the first county commission meeting held in February of any year.

Effective Date: April 10, 2014

Act 2014-449 (HB 540)

Electronic Filing of Business Personal Property Tax Returns in Baldwin County

This act provides for the electronic filing of business personal property tax returns in the office of the Baldwin County Revenue Commissioner; authorizes the revenue commissioner to establish procedures for filing the returns; effective for any business personal property tax return filed on or after October 1, 2014, any business personal property tax return filed with the office of the Baldwin County Revenue Commissioner for any business engaged in the leasing of personal property, or for any business with personal property assets of at least \$10,000, or any business personal property tax return which is prepared for filing by a third party tax preparer will be filed electronically.

Effective Date: April 10, 2014