



State of Alabama Department of Revenue

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

January 16, 2018

TO: ALL PERSONS, FIRMS, AND CORPORATIONS making sales at retail and/or purchasing tangible personal property for use, storage, or other consumption in the **Town of Grimes**, Alabama, and its police jurisdiction (located in Dale County).

Sections 11-51-200, et seq., **Code of Alabama 1975**, authorize and empower municipalities to levy a true sales and use tax identical to the State Sales and Use Tax Laws except for the rates of tax and require the Alabama Department of Revenue upon request of the municipality to collect the tax.

On December 12, 2017, the governing body of the Town of Grimes adopted Ordinance No. 2017-5 levying a sales and use tax **effective February 1, 2018**. The tax levied by this ordinance is an amendment to the sales and use tax levied by Ordinance No. 09-05-00.

Sales & Use Tax Rates:	<u>Old Rates</u>	<u>New Rates</u>
General Rate	2.00%	4.00%
Admissions to places of amusement and entertainment	2.00%	4.00%
Retail selling price of food for human consumption sold through vending machines	2.00%	4.00%
Net difference paid for machines, machinery, and equipment used in planting, cultivating, and harvesting farm products	0.50%	1.00%
Machines, parts, and attachments for machines used in manufacturing tangible personal property	0.50%	1.00%
Net difference paid for all automotive vehicles, truck trailers, semi-trailers, and house trailers	0.50%	1.00%
Withdrawal fee for automotive vehicle dealers only.....	\$2.50	\$2.00

If sales are made and delivered to consumers, or purchases made for use, storage, or other consumption, outside the corporate limits of the Town of Grimes but within the police jurisdiction, the rates of sales and use tax are one-half the rates shown above.

The Law requires that the Town of Grimes sales and use taxes be collected, reported and remitted in the same manner as the State sales and use taxes. When you file and pay electronically, the Town of Grimes sales and use taxes are to be included on the electronic city/county tax return assigned to you (City and County Tax Return, form 9501). Simply enter the gross amounts and deductions, and all calculations will be done automatically for you. You may file these taxes through My Alabama Taxes (MAT) at <https://myalabamataxes.alabama.gov>.

Please direct all questions regarding the Town of Grimes sales and use taxes to this office:

Alabama Department of Revenue
Sales and Use Tax Division
Post Office Box 327710
Montgomery, Alabama 36132-7710 (334-242-1490 or 1-866-576-6531)

ORDINANCE NO.: 2017- 5

PURSUANT TO THE PROVISIONS OF CODE OF ALABAMA 1975 SECTION 11-51-200 THROUGH 11-51-207 THIS ORDINANCE LEVIES A PRIVILEGE, LICENSE OR EXCISE TAX AGAINST PERSONS, FIRMS, OR CORPORATIONS STORING, USING, OTHERWISE CONSUMING OR ENGAGED IN THE BUSINESS OF SELLING AT RETAIL TANGIBLE PERSONAL PROPERTY OR CONDUCTING PLACES OF AMUSEMENT IN THE TOWN OF GRIMES, ALABAMA AND ITS POLICE JURISDICTION; PROVIDES FOR THE COLLECTION OF THE SAID TAXES AND PROVIDES FOR PENALTIES FOR THE VIOLATION OF THIS ORDINANCE; AND REPLACES ORDINANCE 09-05-00 AND ALL AMENDMENTS THERETO.

Pursuant to the provisions of Code of Alabama 1975 Sections 11-51-200 through 11-51-207 be it ordained by the Town Council of the Town of Grimes, in the State of Alabama, as follows:

Section 1. There is hereby levied, in addition to all other taxes of every kind now imposed by law, and shall be collected as herein provided, a privilege or license tax against the person on account of the business activities and in the amount to be determined by the application of rates against gross sales, or gross receipts, as the case may be, as follows:

(a) Upon every person, firm, or corporation, (including the State of Alabama, the University of Alabama, Auburn University and all other institutions of higher learning in the state, whether such institutions be denominational, state, county or municipal institutions, and any association or other agency or instrumentality of such institutions) engaged or continuing within the town in the business of selling at retail any tangible personal property whatsoever, including merchandise and commodities of every kind and character, (not including, however, bonds or other evidences of debts or stocks, nor sale or sales of material and supplies to any person for use in fulfilling a contract for the painting, repair, or reconditioning of vessels, barges, ships and other watercraft and commercial fishing vessels of over five (5) tons load displacement as registered with the U.S. Coast Guard and licensed by the State of Alabama Department of Conservation and Natural Resources, an amount equal to four per cent (4%) of the gross proceeds of sales of the business except where a different amount is expressly provided herein. Provided, however, that any person engaging or continuing in business as a retailer and wholesaler or jobber shall pay the tax required on the gross proceeds of retail sales of such business at the rates specified, when his books are kept so as to show separately the gross proceeds of sales of each business, and when his books are not so kept he shall pay the tax as retailer on the gross sales of business.

(b) Upon every person, firm or corporation engaged, or continuing within the town, in the business of conducting, or operating, places of amusement or entertainment, billiard and pool rooms, bowling alleys, amusement devices, musical devices, theaters, opera houses, moving picture shows, vaudevilles, amusement parks, athletic contests, including wrestling matches,

prize fights, boxing and wrestling exhibitions, football and baseball games, (including athletic contests, conducted by or under the auspices of any educational institution within the town, or any athletic association thereof, or other association whether such institution or association be a denominational, a state, or county, or a municipal institution or association or a state, county or city school, or other institution, association or school), skating rinks, race tracks, golf courses, or any other place at which any exhibition, display amusement or entertainment is offered to the public or place or places where an admission fee is charged, including public bathing places, public dance halls or every kind and description within the town, an amount equal to four percent (4%) of the gross receipts of any such business. Provided however, notwithstanding any language to the contrary in the prior portion of this subsection, the tax provisions so specified shall not apply to any athletic event conducted by a public primary or secondary school. The tax amount which would have been collected pursuant to this subsection shall continue to be collected by said public primary or secondary school but shall be retained by the school which collected it and shall be used by said school for school purposes.

(c) Upon every person, firm or corporation engaged or continuing within the town in the business of selling at retail machines used in mining, quarrying, compounding, processing, and manufacturing of tangible personal property, an amount equal to one percent (0.01%) of the gross proceeds of the sale of such machines, provided, that the term "machines," as herein used, shall include machinery which is used for mining, quarrying, compounding, processing, or manufacturing tangible personal property, and the parts of such machines, attachments and replacements therefore which are made or manufactured for use on or in the operation of such machines and which are necessary to the operation of such machines and are customarily so used.

(d) Upon every person, firm or corporation engaged or continuing within the town in the business of selling at retail any automotive vehicle or truck trailer, semi-trailer, house trailer or mobile home set-up materials and supplies including but not limited to steps, blocks, anchoring, cable pipes and any other materials pertaining thereto an amount equal to one percent (0.01%) of the gross proceeds of sale of said automotive vehicle, truck trailer, semi-trailer, semi-trailer or house trailer for use by him or by his employee or agent in the operation of such business, there shall be paid, in lieu of such tax levied herein, a fee of \$2.00 per year or part thereof during which such automotive vehicle, truck trailer, semi-trailer or house trailer shall remain the property of such person. Each such year or part thereof shall begin with the day or anniversary date, as the case may be, of such withdrawal and shall run for the twelve succeeding months or part thereof during which such automotive vehicle, truck trailer, or house trailer shall remain the property of such person.

Where any used automotive vehicle or truck trailer, semi-trailer or house trailer is taken in trade or in a series of trades, as credit or part payment on the sale of a new or used vehicle, the tax levied herein shall be paid on the net difference that is, the price of the new or used vehicle sold less the credit for the used vehicle taken in trade.

(e) Upon every person, firm or corporation engaged or continuing within the town in the business of selling at retail any machine, machinery or equipment which is used in planting, cultivating and harvesting farm products, or used in connection with the production of agricultural produce or products, livestock or poultry on farms, and the parts of such machines, machinery or equipment, attachments and replacements therefore which are made or

manufactured for use on or in the operation of such machine, machinery or equipment, and which are necessary to and customarily used in the operation of such machine, machinery or equipment, an amount equal to one percent (0.01%) of the gross proceeds of the sale thereof. Provided, however, the one percent (0.01%) rate herein prescribed with respect to parts, attachments, and replacements shall not apply to any automotive vehicle or trailer designed primarily for public highway use, except farm trailers used primarily in the production and harvesting of agricultural commodities.

Where any used machine, machinery or equipment which is used in planting, cultivating, and harvesting farm products or used in connection with the production of agricultural produce or products, livestock and poultry on farms is taken in trade or in a series of trades as a credit or party payment on a sale of a new or used machine, machinery or equipment, the tax levied herein shall be paid on the net difference, that is, the price of the new or used machine, machinery or equipment sold, less the credit for the used machine, machinery or equipment taken in trade.

(f) Upon every person, firm or corporation engaged or continuing within town in the business of selling through coin-operated dispensing machines, food and food products for human consumption, not including beverages other than coffee, milk, milk products and substitutes therefore, there is hereby levied a tax equal to four percent (4%) of the retail selling price of such food, food products and beverages sold through such machines.

Section 2. Provisions of State Sales Tax Statutes Applicable to this Ordinance and Taxes herein levied. The taxes levied by Section 1 and 2 of this Ordinance shall be subject to all definitions, exceptions, exemptions, proceeding, requirements, rules, regulations provisions, discounts, penalties, fines, punishments, and deductions that are applicable to the taxes levied by the State sales tax statutes, except where inapplicable or where herein otherwise provided, including all provisions of the State sales tax statutes for enforcement and collection of taxes.

Section 3. (a) An excise tax is hereby imposed on the storage, use or other consumption in the town of tangible personal property (not including materials and supplies bought for use in fulfilling a contract for the painting, repairing, or reconditioning of vessels, barges, ships and other watercraft and commercial fishing vessels of over five (5) tons load displacement as registered with the U.S. Coast Guard and licensed by the State of Alabama Department of Conservation and Natural Resources) purchased at retail on or after the effective date of this ordinance for storage, use or other consumption in the town, except as provided in subsections (b), (c), and (d), at the rate of four percent (4%) of the sales price of such property within the corporate limits of said town.

(b) An excise tax is hereby imposed on the storage, use or other consumption in the town, of any machines used in mining, quarrying, compounding, processing, and manufacturing of tangible personal property purchased at retail on or after the effective date of this ordinance at the rate of one percent (0.01%) of the sales price of any such machine; provided, that the term "machine" as herein used, shall include machinery which is used for mining, quarrying, compounding, processing, or manufacturing tangible personal property, and the parts of such machines, attachments and replacements therefore, which are made or manufactured for use on or in the operation of such machines and which are necessary to the operation of such machines and are customarily so used.

(c) An excise tax is hereby imposed on the storage, use or other consumption in the town on any automotive vehicle or truck trailer, semi-trailer, house trailer or mobile home set-up material and supplies including but not limited to steps, blocks, anchoring, cable pipes and any other materials pertaining thereto purchased at retail on or after the effective date of this ordinance for storage, use or other consumption in the town at the rate of one percent (0.01%) of the sales price of such automotive vehicle, truck trailer, semi-trailer, house trailer or mobile home set-up materials and supplies within the corporate limits of said city. Where any used automotive vehicle or truck trailer, semi-trailer or house trailer is taken in trade or in a series of trades, as a credit or part payment on the sale of a new or used vehicle, the tax levied herein shall be paid on the net difference, that is, the price of the new or used vehicle sold less the credit for the used vehicle taken in trade.

(d) An excise tax is hereby levied and imposed on the storage, use or other consumption in the town of any machine, machinery or equipment which is used in planting, cultivating and harvesting farm products, or used in connection with the production of agricultural produce or products, livestock or poultry on farms, and the parts of such machines, machinery or equipment, attachments and replacements therefor which are made or manufactured for use on or in the operation of such machine, machinery or equipment, and which are necessary to and customarily used in the operation of such machine, machinery or equipment, which is purchased at retail after the effective date of this ordinance, for the storage, use or other consumption in the town at the rate of one percent (0.01%) of the sales price of such property within the corporate limits of said town, regardless of whether the retailer is or is not engaged in the business in this town. Provided, however, the one percent (0.01%) rate herein prescribed with respect to parts, attachments, and replacements shall not apply to any automotive vehicle or trailer designed primarily for public highway use, except farm trailers used primarily in the production and harvesting of agricultural commodities. Where any used machine, machinery or equipment which is used in planting, cultivating, and harvesting farm products, or used in connection with the production of agricultural produce or products, livestock and poultry on farms is taken in trade or in a series of trades as a credit or part payment on a sale of a new or used machine, machinery or equipment, the tax levied herein shall be paid on the net difference, that is, the price of the new or used machine, machinery or equipment sold, less the credit for the used machine, machinery or equipment taken in trade.

Section 4. The taxes levied by Section 3 of this ordinance shall be subject to all definitions, exceptions exemptions, proceedings, requirements, rules, regulations provisions discounts, penalties, fines, punishments, and deductions that are applicable to the taxes levied by the State Use Tax Statutes, except where inapplicable or where herein otherwise provided, including all provisions of the State Use Tax Statues for enforcement and collection of taxes.

Section 5. This Ordinance Cumulative to General License Code or Ordinance. This ordinance shall not be construed to repeal any of the provisions of the general license code or ordinance of the city, but shall be held to be cumulative, and the amounts of the taxes herein levied shall be in addition to the amounts of all other license taxes imposed by the town by its general license code or ordinance.

Section 6. Levy of the Tax in Police Jurisdiction. Upon every person, firm or corporation engaged in the doing of any act, or who shall do any act, or continuing in the doing of any act, or engaged in the operation of any business, or who shall engage in the operation of

any business, within the police jurisdiction of the Town of Grimes but beyond its corporate limits for which or upon which a privilege or license tax is in this ordinance levied or required within the corporate limits of the Town, there is hereby levied, in addition to all other taxes of every kind now imposed by law or by municipal ordinance, to be collected as herein provided for the privilege or license taxes herein levied within the corporate limits of the Town a privilege or license tax equal to one-half of that provided, levied or required in this ordinance for the doing of such act, or the engaging or continuing therein, or the engaging or continuing in the operation of such business within the corporate limits of the Town. Provided further, that except for the amount of the privilege or license tax herein levied within the police jurisdiction of said Town, but without the corporate limits thereof, all the provisions of this ordinance extend and apply to all the area within the police jurisdiction of the Town of Grimes.

Section 7. Effective Date. This ordinance shall become effective on the first day of February, 2018, and the first payment of taxes hereunder shall be due and payable on the twentieth day of March, 2018, for taxes collected in February, 2018.

Section 8. On the effective date of this ordinance the same shall replace Ordinance 09-05-00, heretofore adopted by the Town Council of Grimes and all amendments thereto. Ordinance 09-05-00 and all amendments thereto shall continue in force and effect until midnight January 31, 2018. Upon the effective date of this Ordinance, all applicable collections shall be made as herein assessed and provided and no further collections shall be made under Ordinance 09-05-00, and amendments thereto.

Section 9. Severability. Each and every provision of this ordinance is hereby declared to be an independent provision and the holding of any provision hereof to be void and invalid for any reason shall not affect any other provision hereof, and it is hereby declared that the other provisions of this ordinance would have been enacted regardless of any provision which might have been held invalid.

Section 10. Adopted and approved this 12th day of December, 2017.

Barbara Hillier
Councilperson

Councilperson

ATTEST

Philip Hone
Town Clerk

Billie Jo Dasinger
Mayor

Harold B. Gray
Councilperson

Jacquie Kirkland
Councilperson

Tommy Blackmon
Councilperson




CERTIFICATION OF PUBLIC NOTICE

I, the undersigned, the duly elected Clerk of the Town of Grimes, Alabama, hereby certify that the foregoing ordinance was posted in three public places, to-wit:

Grimes Town Hall
Marathon Station
P. C.'s Nursery

in the Town of Grimes, Alabama, for 5 consecutive days beginning the 18th day of December, 2017. All of the publications remain posted even to the date of this Certification.

Dated this the 22nd day of January, 2018.


Town Clerk

