



State of Alabama Department of Revenue

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

June 19, 2018

TO: ALL PERSONS, FIRMS, AND CORPORATIONS making sales at retail of tangible personal property in the **City of Henagar**, Alabama, and its police jurisdiction (located in Dekalb 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 May 14, 2018, the governing body of the City of Henagar adopted Ordinance No. 2018-0501 levying a sales tax **effective July 1, 2018**. The tax levied by this ordinance is an amendment to the sales tax levied by Ordinance No. 2-9-95.

Sales Tax Rates:	<u>Old Rates</u>	<u>New Rates</u>
General Rate	4.00%	4.00%
Admissions to places of amusement and entertainment	4.00%	4.00%
Retail selling price of food for human consumption sold through vending machines	4.00%	4.00%
Net difference paid for machines, machinery, and equipment used in planting, cultivating, and harvesting farm products	1.50%	1.50%
Machines, parts, and attachments for machines used in manufacturing tangible personal property	1.50%	1.50%
Net difference paid for all automotive vehicles, truck trailers, semi-trailers, and house trailers	1.50%	1.50%
Withdrawal fee for automotive vehicle dealers only.....	\$1.66	\$2.00

If sales are made and delivered to consumers outside the corporate limits of the City of Henagar but within the police jurisdiction, the rates of sales tax are one-half the rates shown above.

The Law requires that the City of Henagar 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 City of Henagar 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 City of Henagar 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)

STATE OF ALABAMA
COUNTY OF DEKALB
CITY OF HENAGAR

ORDINANCE NO. 2018-0501

PURSUANT TO THE PROVISIONS OF CODE OF ALABAMA 1975, SECTIONS 11-51-200 THROUGH 11-51-207, THIS ORDINANCE LEVIES A PRIVILEGE, LICENSE OR EXCISE TAX AGAINST PERSONS, FIRMS, OR CORPORATIONS STORING, USING, OR OTHERWISE CONSUMING OR ENGAGED IN THE BUSINESS OF SELLING AT RETAIL TANGIBLE PERSONAL PROPERTY OR CONDUCTING PLACES OF AMUSEMENT IN THE CITY OF HENAGAR, ALABAMA, AND ITS POLICE JURISDICTION; PROVIDES FOR PENALTIES FOR THE VIOLATION OF THIS ORDINANCE; AND REPEALS A PRIOR ORDINANCE LEVYING SIMILAR TAXES, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HENAGAR 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 City of Henagar 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 percent (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 the business.

(b) Upon every person, firm or corporation engaged or continuing within the City of Henagar, 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 City, 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 of every kind and description within the City, 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 or private primary or secondary school. The tax amount, which would have been collected pursuant to this subsection, shall continue to be collected by said public or private 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 City 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 and a half percent (1.5%) 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 City 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 and a half percent (1.5%) of the gross proceeds of sale of said automotive vehicle, truck trailer, semi-trailer, house trailer or mobile home set-up materials and supplies provided, however, where a person subject to the tax provided for in this subsection withdraws from his stock in trade any automotive vehicle or truck 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 the tax levied herein, a fee of two dollars (\$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 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.

(e) Upon every person, firm or corporation engaged or continuing within the City 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 and a half percent (1.5%) of the gross proceeds of the sale thereof. Provided, however, the one and a half percent (1.5%) 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.

(f) Upon every person, firm or corporation engaged or continuing within the City 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. Levy of the Tax in Police Jurisdiction. Upon every person, firm or corporation engaged in the doing of an act, or who shall do an act, or continuing in the doing of an 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 City but beyond the corporate limits of said City for which or upon which a privilege or license tax is in this ordinance levied or required within the corporate limits of the City/, 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 City a privilege or license tax equal to one half (1/2) 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 City. Provided further, that except for the amount of the privilege or license tax herein levied within the police jurisdiction of said City 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 City.

Section 3. (a) An excise tax is hereby imposed on the storage, use or other consumption in the City, 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 City, 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 City.

(b) An excise tax is hereby imposed on the storage, use or other consumption in the City, 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 and a half percent (1.5%) 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 City on 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 purchased at retail on or after the effective date of this ordinance for storage, use or other consumption in the City at the rate of one and a half percent (1.5%) 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 City 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 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, which is purchased at retail after the effective date of this ordinance, for the storage, use or other consumption in the City at the rate of one and a half percent (1.5%) of the sales price of such property within the corporate limits of said City, regardless of whether the retailer is or is not engaged in the business in this City. Provided, however, the one and a half percent (1.5%) 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.

(e) An excise tax is hereby imposed on tangible personal property at one half of the rates specified in subsections (a), (b), (c), and (d) of this section on the storage, use or other consumption of such tangible personal property outside the corporate limits of the City, but within the police jurisdiction.

Section 4. Provisions of State Use Tax Statutes Applicable to this Ordinance and Taxes Herein Levied. This ordinance and the taxes levied herein shall be subject to all definitions, exceptions, exemptions, proceedings, requirements, provisions, rules and regulations promulgated under the Alabama Administrative Procedure Act, direct pay permit and drive-out certificate procedures, statute of limitation, 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 statutes for enforcement and collection of taxes.

Section 5. Use of Proceeds. The proceeds from the tax herein levied remaining after payment of the costs of collecting said tax, including all charges of the administration for such collection and paid over to and received by the City shall be distributed to the City of Henagar.

Section 6. 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 7. Repeal Conflicting Ordinances. The tax levied and assessed by this ordinance is levied and assessed in lieu of the sales and use tax levied by any prior Ordinance or Resolution adopted by the City of Henagar. Said conflicting ordinances/resolutions or parts thereof are hereby rescinded and repealed as of the effective date of this ordinance to the extent of such conflict.

Section 8. Effective Date. This ordinance shall become effective on the first day of July, 2018, and the first payment of taxes hereunder shall be due and payable on the twentieth day of July, 2018.

ADOPTED AND APPROVED this 14 day of May, 2018.

Mayor

ATTEST:

City Clerk



TAX RATE CONFIRMATION TABLE FOR THE CITY OF HENAGAR

May 25, 2018

The tax rates in the table below are based on ADOR's understanding of the City's Tax Rates. Please review and make corrections as needed. Then sign in the space provided below and return to A.DOR. These tax rates are effective 7/1/18.

	Tax Rate Corporate Limits	Tax Rate Police Jurisdiction	Corrected Rate
Sales Tax			
General	4.000%	.5% of CL Rate	_____ (CL) (PJ)
Amusement	4.000%	.5% of CL Rate	_____ (CL) (PJ)
Automotive	1.500%	.5% of CL Rate	_____ (CL) (PJ)
Withdrawal Fee	\$2.00	\$2.00	_____ (CL) (PJ)
Farm	1.500%	.5% of CL Rate	_____ (CL) (PJ)
Manufacturing	1.500%	.5% of CL Rate	_____ (CL) (PJ)
Vending	4.000%	.5% of CL Rate	_____ (CL) (PJ)
Use Tax			
General	4.000%	.5% of CL Rate	_____ (CL) (PJ)
Automotive	1.500%	.5% of CL Rate	_____ (CL) (PJ)
Farm	1.500%	.5% of CL Rate	_____ (CL) (PJ)
Manufacturing	1.500%	.5% of CL Rate	_____ (CL) (PJ)
Rental			
General	3.000%	.5% of CL Rate	_____ (CL) (PJ)
Auto	1.000%	.5% of CL Rate	_____ (CL) (PJ)
Linens	1.500%	.5% of CL Rate	_____ (CL) (PJ)
Lodgings			
General	4.000%	.5% of CL Rate	_____ (CL) (PJ)
Per Night Fee	\$0.00	None	_____ (CL) (PJ)

No taxes are levied specifically for educational purposes.

I have review the about tax rate table and confirm that the information in the table is corrector have made corrected as needed.



 (Signature of Authorizing Official)

Mayor / 5/29/2018

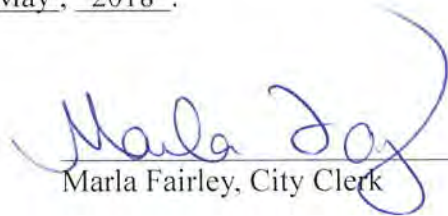
 (Title/Date)

STATE OF ALABAMA
COUNTY OF DEKALB
CITY OF HENAGAR

CERTIFICATE OF PUBLICATION

I, Marla Fairley, the duly appointed City Clerk of the City of Henagar, Alabama, certify that a copy of Ordinances: 2018-0501, 2018-0502, and 2018-0503 were each posted in three (3) public places located within the corporate limits of the City of Henagar, Alabama: 1) Henagar City Hall 2) Henagar Police Station 3) Henagar Public Library.

Done this on the 15th day of May, 2018.



Marla Fairley, City Clerk

