

LEXINGTON
Posted 12/16/2020

Statutory Effective Date: January 1, 2021
Received by the Department: October 13, 2020

The Town of Lexington has increased their sales and use taxes as shown below:

Sales & Use Taxes:	<u>OLD RATES</u>	<u>NEW RATES</u>
General Rate	2.000	3.000
Admissions to places of amusement and entertainment	2.000	3.000
Retail Selling Price of food for human consumption sold through vending machines	2.000	3.000
Net difference paid for machines, machinery, and equipment used in planting, cultivating and harvesting farm products750	1.000
Machines and parts and attachments for machines used in manufacturing tangible personal property750	1.000
Net difference paid for all automotive vehicles, truck trailers, semi- trailers and house trailers750	1.000
Withdrawal fee for automotive vehicle dealers only	10.00	10.00

If sales of tangible personal property are made or delivered, or if purchases of tangible personal property are stored, used or consumed, outside the corporate limits of the city but within the police jurisdiction of the city, the rates of tax are one-half of those stated above.

Your Town of Lexington sales and use taxes may be remitted online through the 'Local Tax' account in the Alabama Department of Revenue's online filing system, My Alabama Taxes (MAT), the 'ONE SPOT' to file: <https://myalabamataxes.alabama.gov>. If you have any questions about your Lexington taxes, please contact:

Avenu/RDS
P. O. Box 830725
Birmingham, AL 35283-0725
1-800-556-7274

If you have any questions regarding this notice, please contact this office:

ALABAMA DEPARTMENT OF REVENUE
Sales & Use Tax Division
P.O. Box 327710
Montgomery, Alabama 36132-7710
(334) 242-1490

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OCT 13 2020

Local Tax Section
Alabama Dept. of Revenue

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Local Tax Section
Alabama Dept. of Revenue

ORDINANCE #2020-004

AN ORDINANCE TO INCREASE SALES TAX

**TOWN OF LEXINGTON
COUNTY OF LAUDERDALE
STATE OF ALABAMA**

PURSUANT TO THE PROVISIONS OF THE CODE OF ALABAMA 1975 SECTION 11-51-200 THROUGH 11-51-207, THIS ORDINANCE LEVIES A PRIVILEGE LICENSE OR EXCISE TAX AGAINST PERSON, FIRMS, OR CORPORATIONS STORING, USING, OR OTHERWISE CONSUMING OR ENGAGED IN THE BUSINESS OF SELLING AT RETAIL, TANGIBLE PERSONAL PROPERTY OR CONDUCTING PLACES OF AMUSEMENTS IN THE TOWN OF LEXINGTON, ALABAMA, OR WITHIN ITS POLICE JURISDICTION; PROVIDES FOR THE COLLECTION OF THE SAID TAXES AND PROVIDES PENALTIES FOR THE VIOLATION OF THIS ORDINANCE. THIS ORDINANCE SHALL BECOME EFFECTIVE AT 12:01 A.M. ON JANUARY 1st, 2021 AND REPEALS ORDINANCE 26 AS ADOPTED MARCH 19, 1973.

Pursuant to the provisions of the Code of Alabama 1975 Sections 11-51-20 through 11-51-207, be it ordained by the Town Council by the Town Council of the Town of Lexington, 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, and any association or other agency or instrumentality of such institutions) engaged, or continuing with the Town in 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 of over fifty tons burden), an amount equal to **three (3%) percent** 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 retained 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.

Where any used part including tires of an automotive vehicle or a 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 rebuilt part or tire, the tax levied herein shall be paid on the net difference, that is, the price of the new or used part or tire sold less the credit for the used part or tire taken in trade, provided, however, this provision shall not be construed to include batteries.

(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, vaudeville, amusement parks, athletic contests, including wrestling matches, prize fight, 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 of every kind and description with the Town an amount equal to three (3%) percent of the gross receipt 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 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 (1%) percent of the gross proceeds of the sale of such machines; 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.

(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, or house trailer, an amount equal to one (1%) percent of the gross proceeds of sale of said automotive vehicle or truck trailer, semi-trailer or house trailer, provided however where a person subject to the rate 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 Ten (\$10.00) dollars per year on 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, semi-trailer or house trailer shall remain the property of such person.

Where any used automobile vehicle or truck trailer, semi-trailer or house trailer is taken in trade or in a series of trades, as a credit or part 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 thereof 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 (1%) percent of the gross proceeds of the sale thereof. Provided, however, the one (1%) percent 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 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 this State 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 three (3%) percent of the cost of such food, food products, and beverages sold through such machines, which cost for the purpose of this subsection shall be the gross proceeds of sales of such business.

SECTION 2. 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, but beyond the Corporate limits of said Town, 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 within the corporate limits of the Town, a privilege or license tax equal to one-half of that provided, levied or required in this 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.

SECTION 3: PROVISIONS OF STATE SALES TAX STATUTES APPLICABLE TO THE 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 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 4. RATES

(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 painting, repairing, or reconditioning of vessels, barges, ships, and other watercraft of more than fifty tons burden) purchased at retail on or after the effective date of the ordinance for storage, use or other consumption in the Town, except as provided in subsections (b), (c), and (d), at the rate of **three (3%) percent** of the sales price of such property within the corporate limits of the Town.

(b) An excise tax is hereby imposed on the storage, use of 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 (1%) percent** of the sales price of any such machine, with the corporate limits of the Town; 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 thereof, which are made or manufactured for use on or in the operation of such machines and which are necessary in 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 of any automotive vehicle or truck trailer, semi-trailer or house trailer purchased at retail or after the effective date of this ordinance for storage, use or other consumption in the Town at the rate of **one (1%) percent** of the sales price of such automotive vehicle, truck trailer, semi-trailer or house trailer within the corporate limits of said City. Where any used automotive vehicle, 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 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 the ordinance for the storage, use or other consumption in the Town at the rate of **one (1%) percent** 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 Town. Provided, however, the **one (1%) percent** 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 or 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 products 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.

An excise tax is hereby imposed on tangible personal property at one-half 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 Town, but within the police jurisdiction.

SECTION 5. DEFINITIONS

The taxes levied by Section 4 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 statutes for enforcement and collections of taxes.

SECTION 6. 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 Town, but shall be held to be cumulative, and the amounts of the taxes herein shall be in addition to the amounts of all other license taxes imposed by the Town by its general license code or ordinance.

SECTION 7. SEVERABILITY.

Each and every provision of the 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 provisions hereof, and it is hereby declared that the other provisions hereof, and it is hereby declared that the other provisions of the ordinance would have been enacted regardless of any provision which might have been held invalid. The sections, paragraphs, sentences, clauses and phrases of this ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this ordinance shall be declared unconstitutional by a court of competent jurisdiction, then such ruling shall not affect any other paragraphs and sections, since the same would have been enacted by the municipal council without the incorporation of any such unconstitutional phrase, clause, sentence, paragraph or section.

SECTION 8. COLLECTIONS OF TAXES.

The tax levied by this ordinance hereof shall be collected by Avenu Insights & Analytics is a private firm contracted with the city and shall have and exercise the same powers, duties, and obligations with respect to the tax levied hereunder that are imposed on by the State Sales and Use Tax Statutes. Avenue Insights & Analytics is contracted with the Town of Lexington to collect, review and audit taxes submitted on behalf of the Town of Lexington. Payments for taxes due shall be remitted to Avenu Insights & Analytics for payment.

SECTION 9. DISTRIBUTION OF TAXES

The net proceeds of the taxes levied shall be deposited by Avenu Insights & Analytics to the following Town of Lexington accounts: 100% to the General Fund checking account at Bank Independent in Lexington, Alabama.

SECTION 10. EFFECTIVE DATE

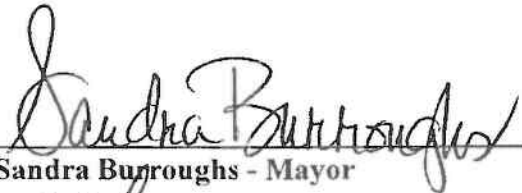
This ordinance shall become effective at 12:01 a.m. on the 1st day of December, 2020 and the first payment of taxes hereunder shall be due and payable on the twentieth day of December, 2020. This ordinance shall remain in full force and effect and shall apply it each month beginning with the month of October 2020 and to each month of each calendar year thereafter from year to year. The sales tax is due monthly (as is the State of Alabama), with tax returns to be filed as above stated by the twentieth of each month for the previous month's sales. If the 20th of the month falls on a weekend or holiday, then the sales tax returns must be postmarked on or before the next working day to be considered timely filed. A sales tax return must be filed for any business which has an account with the Alabama Department of Revenue regardless of whether there were any sales in the previous months.

SECTION 11. REPLACEMENT OF ORDINANCE #26

This ordinance shall replace Ordinance #26 adopted by the governing body of the Town of Lexington, Alabama on March 7, 1984: respectively, shall be and hereby are repealed, such repeal to become effective on the effective date of the Ordinance; provided that nothing herein contained shall be construed to relieve any person from tax liability, penalty, interest or forfeiture incurred under either of said Ordinance prior to the effective date of this Ordinance. However, this Ordinance shall not be construed to repeal any of the provisions of the general license code but shall be held to be cumulative, and amounts of 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 other ordinance.

SECTION 12. Effective Date. This ordinance shall become effective on the Januaryst, 2021 at 12:01 a.m. at which time Ordinance #2020-004 shall become effective.

NOW THEREFORE BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF LEXINGTON, ALABAMA, ORDINANCE NUMBER 2020-004 IS HEREBY APPROVED AND ADOPTED THIS THE 22nd, DAY OF SEPTEMBER 2020.


Sandra Burroughs - Mayor

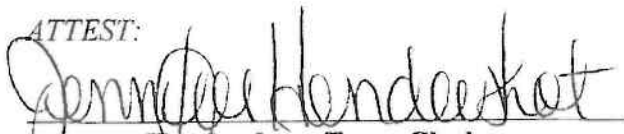

Phil Springer - Council Member


Peggy McGee - Council Member

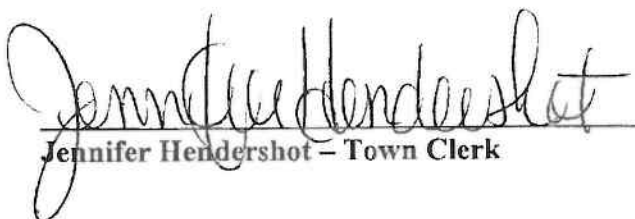

Patrick Campbell - Council Member


Belinda Michael - Council Member


Mike Underwood - Council Member

ATTEST:

Jennifer Hendershot - Town Clerk

Town of Lexington, Alabama, certificate of publication. This is to certify that Ordinance No. 2020-004, Town of Lexington, Alabama, was published by posting on at least three (3) bulletin boards in the Town of Lexington; Bank Independent, Town Hall & Lexington Public Library from September 23rd, 2020 to December 1st, 2020.


Jennifer Hendershot - Town Clerk