



# Business License Newsletter

*THIS NEWSLETTER IS DESIGNED TO PROVIDE SOME UPDATES AND REQUIRED INFORMATION CONCERNING STATE/COUNTY BUSINESS PRIVILEGE LICENSES.*

## **2020 CENSUS INFORMATION**



When the 2020 State of Alabama Census information becomes available, we will post this information for the counties and municipalities on our webpage at <https://revenue.alabama.gov/business-license/business-licensing/state-of-alabama-2020-census/>. The 2020 census data will apply effective October 1, 2021. If the 2020 data is not available as of October 1, 2021, you should continue to use the 2010 information until the 2020 information is available.

## **2021-2022 LICENSE RENEWAL MONTH**

Since October 31, 2021 falls on the weekend this year, the deadline to renew state/county business privilege licenses is extended to November 1, 2021. Consequently, delinquent penalties may not be imposed until November 2<sup>nd</sup>. All renewals post-marked by November 1<sup>st</sup> are considered timely regardless of the date of receipt.



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### Special Points of Interest

- **2020 Census — Population Information**
- **Deadline to renew state/county business privilege licenses is November 1, 2021.**
- Business & License Tax Division contact information is listed on page 4.
- Privilege License Paper for FY 2021-2022 is Purple—Pantone Basic.

## **DATA EXCHANGE PORTAL (DEP) - UPDATE**

Last year, the Department of Revenue offered the local county governments and their vendors the capability of securely submitting the monthly business license reports to the Alabama Department of Revenue (ALDOR) Data Exchange Portal (DEP) using an SFTP connection along with an SSH Private/Public key pair. In the last year, we had 34 localities convert to the DEP method.

This filing method opened the way for automation through a custom script or program written by local county governments or their vendors. The DEP is configured to allow SFTP connections programmatically which allows the locality to submit their business license reports without having to manually login to the DEP web application or reset your password every 60 days.

The county/vendor is responsible for generating and maintaining a SSH Private/Public key pair. To use this mechanism, please contact ALDOR at 334-353-7827, Option 5, or via our general email account at [license.account@revenue.alabama.gov](mailto:license.account@revenue.alabama.gov) to obtain the registration form that must be completed by the county probate office. Note: For any changes to the private/public key or if the county changes vendors, you must notify ALDOR by submitting an updated registration form. The county/vendor is responsible for updating any expired SSH certificates.

### **Reminders**

Before issuing a license, please check your records to prevent the issuance of duplicate licenses.

Please be sure to check monthly reports submitted and remove all duplicates for licenses issued. Verify that the license section and amount collected for each license are correct on the monthly report. The report should not have any license sections referenced for code sections less than Section 40-12-41 or greater than Section 40-12-179, with the exception of the Section 310/315 store license.



### ***CITATIONS***

All unpaid business license citations along with the transmittal and any supporting documentation should be forwarded to the Severance & License Section after 30 days for assessment. The state citation fee is \$1.50 per citation.

### **BUSINESS LICENSE REPORTS DUE DATES**

All business privilege license reports are required to be uploaded by the 20<sup>th</sup> of the month except for October, November and December reports, which are required to be uploaded by the 30<sup>th</sup> of the month.

Store/chain store reports must be balanced. The number of licenses sold should correspond with the monies remitted. All pages must be included, or our office will be unable to process your report(s).

Do not include extra zeros or a dash, '-', at the end of the zip code field when submitting your license information. The zeros and dash cause the information to shift into another field when the data is uploaded. Please contact your vendor for assistance in correcting this issue.

### Other Licenses Not To Be Sold/Issued by the County

Section 40-12-49 attorney license is collected by the State Bar Association (1-800-354-6154).

Section 40-12-52 automobile salesman license was ruled unconstitutional and is no longer issued.



Per Act 2015-70, the following code sections were repealed and **should no longer be sold**. However, some counties have continued to issue these licenses, resulting in refunds due to the taxpayers.

### REPEALED LICENSES

- 40-12-76 Coal and coke dealers maintaining yard
- 40-12-77 Coal and coke dealers not maintaining yard
- 40-12-85 Cotton buyers
- 40-12-86 Cotton compresses
- 40-12-95 Devices for testing skill/strength
- 40-12-109 Hat cleaning establishments
- 40-12-119 Legerdemain and sleight of hand
- 40-12-120 Lightning rods
- 40-12-132 Moving picture shows; Transient
- 40-12-142 Pig iron storage operators
- 40-12-164 Supply cars
- 40-12-170 Trading stamps
- 40-12-173 Theatrical and vaudeville shows
- 40-12-175 Turpentine and resin

### FREQUENT LICENSING REQUIREMENT QUESTIONS



**CBD Oil** - A Section 315 license is required if the product is being sold at the location.

**AIR BNBS** - A Section 115 license is required if there are five or more bedrooms.

**MANICURIST** - A Section 61 license is required if the manicurist is employed by the salon. A Section 124 is required if they are self-employed.

**REVERSE VENDING MACHINES** - A Section 116 license is required.

**VAPE SHOP** - A Section 315 license is required. Contact the ALDOR Tobacco Tax Section at (334-242-9627) and the ABC Board (334-271-3840) for additional requirements.

**INTERNET SALES** - A Section 315 license is required plus any additional sections, as appropriate.

**INTERSTATE TRUCKING COMPANIES** - A Section 171 license is not required; however, will need to contact Motor Carrier Services (Motor Vehicle Division) and ALDOT to obtain IFTA and IRP permits to operate within Alabama.

**POOL HALL OWNERS** - A Section 146 license is required. The owner must obtain the bond application from the Judge of Probate in the penal sum of \$1,000 in the county where the business is located.

**LICENSE TRANSFER FEES** - Per Section 40-12-15, when a business is sold to a new owner, the license may be transferred for a fee of \$1. The \$1 fee applies to each license code section shown on the license. For example, if a store is sold and the previous owner purchased Sections 315, 44, 69, 72, then the transfer fee would be \$4.

**RENTAL TAX** - Rental tax is a privilege tax levied on the lessor for the leasing or renting of tangible personal property such as equipment and cars. Please advise the taxpayer to contact the Alabama Department of Revenue, Sales & Use Tax Division at (334)242-1490 for questions relating to rental tax.

**RESALE/WHOLESALE CERTIFICATE** - The taxpayer will need to contact the Alabama Department of Revenue Sales & Use Tax Division for issuance of a resale/wholesale certificate.

## RESOURCES

Please refer to the Privilege License Handbook for clarification on licenses prior to contacting the Severance & License Section regarding what type licenses should be sold to a taxpayer (staff members have the same information that is available in the book). For your convenience, the Privilege License Handbook along with the quick reference guide are available on ALDOR's website for your use at <https://revenue.alabama.gov/business-license/business-licensing/>. **If a link to the handbook is shown on your county's webpage, please update the link to reflect the correct version.**

**Atlas Alabama** is a resource for entrepreneurs and small business owners in Alabama. For your convenience, the following link is on ALDOR's website: <https://atlasalabama.gov/>.

Please make sure the contact number and address shown on ALDOR's website at <https://revenue.alabama.gov/business-license/business-licensing/county-probate-office-directory/> are correct for your county. If any changes are required, contact our office at 334-353-7827 or email us at [license.account@revenue.alabama.gov](mailto:license.account@revenue.alabama.gov).

**Business Essentials for State Taxpayers (B.E.S.T.)** webinars provide a brief but comprehensive overview of Alabama's business taxes, tax obligations, the forms required, as well as information on electronic filing and other requirements. For more information visit the website at <https://revenue.alabama.gov/taxpayer-advocacy/b-e-s-t-seminars/>.

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## 2021-22 LICENSE YEAR PAPER

The color of the privilege license paper for 2021-2022 is **Purple-Pantone Basic**. If your county is currently printing its licenses on paper that you purchased rather than the paper supplied by the State Comptroller's office, please use this color for the new license year. **If you decide not to use this paper, please notify the Comptroller's Office at 334-242-7070.** The following names should be displayed on all business privilege licenses: **KATHLEEN D. BAXTER** as State Comptroller and **VERNON BARNETT** as Commissioner of Revenue.

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## FREQUENTLY CALLED NUMBERS

	AGENCY	TELEPHONE #
Alabama Income Tax Refunds	ALDOR/Income Tax Division	855-894-7391
Business Privilege Tax	ALDOR/Income Tax Division	334-353-7923
Car dealers, tent sales, trucking companies	ALDOR/Motor Vehicle Division	334-353-0477
Cosmetology	Cosmetology & Barbering Board	334-242-1918
Contractors	General Contractor's Board	334-272-5030
Driver's licenses	Alabama Law Enforcement Agency	334-242-4400
Home builders	Home Builder's Board	334-242-2230
FEINs/taxpayer identification	Internal Revenue Service	800-829-1040
Pardons / paroles	Pardons & Parole Board	334-242-8700
Registering LLC or Corp	Alabama Secretary of State	334-242-7200
Sales Tax Questions	ALDOR/Sales & Use Tax Division	334-242-1490

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### CONTACT US

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Please make sure that you are using our correct mailing address when sending information to our office:

#### **Business & License Tax Division**

Severance & License Section  
Attn: Kimberly Simmons  
P. O. Box 327550  
Montgomery, AL 36132-7550

334-353-7827, OPTION 5  
334-353-1809 (FAX #)