



1 SB174  
2 XLAP77E-3  
3 By Senator Chambliss  
4 RFD: County and Municipal Government  
5 First Read: 18-Feb-25

**ACT #2025 - 408**





Enrolled, An Act,

Relating to business taxes; to require counties and municipalities to provide certain annual reports on business license taxes and business privilege taxes collected from businesses; to provide for certain causes of action; to amend Section 40-2B-2, Code of Alabama 1975; and to revise the jurisdiction of the Alabama Tax Tribunal.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. This act shall be known as the Business License Tax Reporting and Appeals Act.

Section 2. The Legislature finds and declares that Alabama's residents and businesses have a right to do business in this state free from excessive regulations or fees, to have clear knowledge of any fees charged to conduct business, and to seek redress against unfair or duplicative taxation.

Section 3. (a) Each county and municipality that has levied a business privilege tax or business license tax, by March 30, shall file an annual fiscal year report with the Department of Revenue containing all of the following information concerning the previous fiscal year:

(1) The classifications and schedules for business license taxes.

(2) Whether the classifications or schedules changed during the reporting year or will change during the year immediately following the fiscal year covered by the report.

(b) The Department of Revenue shall post each report on



29 the department's website.

30 (c) Any municipality or county that has levied a  
31 business privilege tax or business license tax and that fails  
32 to comply with subsection (a) shall escrow subsequent business  
33 license taxes and business privilege taxes until the  
34 municipality or county achieves compliance with subsection  
35 (a).

36 Section 4. A taxpayer may appeal any business license  
37 tax or business privilege tax determination of a county or  
38 municipality that has levied a business privilege tax or  
39 business license tax to the Alabama Tax Tribunal as provided  
40 in Section 40-2B-2, Code of Alabama 1975.

41 Section 5. (a) A private entity contracted by a county  
42 or municipality to audit business privilege taxes or business  
43 license taxes, when sending any written communication to a  
44 business entity that may owe a business privilege tax or  
45 business license tax, shall also send a letter or other  
46 official notice from the county or municipality that declares  
47 the private entity's authority to collect taxes on behalf of  
48 the county or municipality.

49 (b) A county or municipality, on a form supplied by the  
50 Department of Revenue, shall notify the department if a  
51 private entity is contracted to collect business privilege  
52 taxes or business license taxes on behalf of the county of  
53 municipality.

54 (c) If a private entity fails to comply with subsection  
55 (a) or attempts to collect a business privilege tax or  
56 business license tax when the entity knows that the tax is not



57 lawfully due, the entity shall be subject to a private right  
58 of action.

59 (d) Nothing in this section shall be construed as  
60 creating or implying a cause of action against a county or  
61 municipality, a county or municipal official, a county or  
62 municipal employee, or a county or municipal agency, board, or  
63 instrumentality.

64 Section 6. Section 40-2B-2, Code of Alabama 1975, is  
65 amended to read as follows:

66 "§40-2B-2

67 (a) Statement of Purpose. To increase public confidence  
68 in the fairness of the state tax system, the state shall  
69 provide an independent agency with tax expertise to resolve  
70 disputes between the Department of Revenue and taxpayers,  
71 prior to requiring the payment of the amounts in issue or the  
72 posting of a bond, but after the taxpayer has had a full  
73 opportunity to attempt settlement with the Department of  
74 Revenue based, among other things, on the hazards of  
75 litigation. By establishing an independent Alabama Tax  
76 Tribunal within the executive branch of government, this  
77 chapter provides taxpayers with a means of resolving  
78 controversies that insures both the appearance and the reality  
79 of due process and fundamental fairness.

80 The tax tribunal shall provide hearings in all tax  
81 matters, except those specified by statute, and render  
82 decisions and orders relating thereto. A tax tribunal hearing  
83 shall be commenced by the filing of a notice of appeal  
84 protesting a tax determination made by the Department of



85 Revenue, including any determination that cancels, revokes,  
86 suspends, or denies an application for a license, permit, or  
87 registration. A final decision of the tax tribunal shall have  
88 the same force and effect as, and shall be subject to appeal  
89 in the same manner as, a final decision of a state circuit  
90 court.

91 It is the intent of the Legislature that this chapter  
92 foster the settlement or other resolution of tax disputes to  
93 the extent possible and, in cases in which litigation is  
94 necessary, to provide the people of Alabama with a fair and  
95 independent dispute resolution forum with the Department of  
96 Revenue. The chapter shall be interpreted and construed to  
97 further this intent.

98 (b) Tax Tribunal: Establishment.

99 (1) A tax tribunal is hereby established in the  
100 executive branch of government. The tribunal is referred to in  
101 this chapter as the "Alabama Tax Tribunal."

102 (2) The Alabama Tax Tribunal shall be separate from and  
103 independent of the authority of the Commissioner of Revenue  
104 and the Department of Revenue. For purposes of this chapter,  
105 the term "Department of Revenue" means the Alabama Department  
106 of Revenue and does not include the governing body of any  
107 self-administered county or municipality.

108 (3) The Alabama Tax Tribunal shall be created and exist  
109 as of October 1, 2014, but the chief judge shall be appointed  
110 by July 1, 2014, to take any action that is necessary to  
111 enable the Alabama Tax Tribunal to properly exercise the  
112 duties, functions, and powers given the Alabama Tax Tribunal



113 under this chapter.

114 (4) The Alabama Tax Tribunal shall maintain an official  
115 docket and other records as deemed necessary by the chief  
116 judge. Such records may be maintained in electronic format.

117 (5) Any judge, or any employee of the Alabama Tax  
118 Tribunal as designated in writing by the chief judge, may  
119 administer oaths.

120 (c) Judges: Number; Appointment; Term of Office;  
121 Removal.

122 (1) The Alabama Tax Tribunal shall consist of at least  
123 one full-time judge, and there shall be no more than three  
124 judges serving at any one time. If there is more than one  
125 judge, each shall exercise the powers of the Alabama Tax  
126 Tribunal.

127 (2) The judges of the Alabama Tax Tribunal shall be  
128 appointed by the Governor for a term of 6 years. If the  
129 tribunal has more than one judge, the judges initially  
130 appointed should be given terms of different lengths not  
131 exceeding 6 years, so that all judges' terms do not expire in  
132 the same year.

133 (3) The Chief Judge of the Alabama Tax Tribunal shall  
134 receive such salary as is provided from time to time at the  
135 top pay scale within Pay Grade 88 of the compensation plan of  
136 the state Merit System. Associate judges shall receive such  
137 salary as is provided from time to time within Pay Grade 84 of  
138 the compensation plan of the state Merit System, as determined  
139 by the chief judge. The judges shall receive no other monetary  
140 compensation. This subsection shall neither increase nor



141 decrease the salary received by the chief administrative law  
142 judge of the Department of Revenue, who shall become the  
143 initial Chief Judge of the Alabama Tax Tribunal pursuant to  
144 this chapter.

145 (4) Once appointed and confirmed, the judge shall  
146 continue in office until his or her term expires and until a  
147 successor has been appointed, unless otherwise removed as  
148 provided herein.

149 (5) A vacancy in the Alabama Tax Tribunal occurring  
150 otherwise than by expiration of term shall be filled for the  
151 unexpired term in the same manner as an original appointment.

152 (6) If more than one judge is appointed, the Governor,  
153 shall designate one of the members as chief judge, in this  
154 chapter referred to as the "chief judge." The chief judge  
155 shall be the executive of the Alabama Tax Tribunal, shall have  
156 sole charge of the administration of the Alabama Tax Tribunal,  
157 and shall apportion among the judges all causes, matters, and  
158 proceedings coming before the Alabama Tax Tribunal. The  
159 individual designated as chief judge shall serve in that  
160 capacity at the pleasure of the Governor.

161 (7) The Governor, subject to the dismissal provisions  
162 of a classified state employee as provided in Section  
163 36-26-10, may remove a judge, after notice and an opportunity  
164 to be heard, for neglect of duty, inability to perform duties,  
165 or malfeasance in office.

166 (8) Whenever the Alabama Tax Tribunal trial docket or  
167 business becomes congested or any judge of the Alabama Tax  
168 Tribunal is absent, is disqualified, or for any other reason



169 is unable to perform his or her duties as judge, and it  
170 appears to the Governor that it is advisable that the services  
171 of an additional judge or judges be provided, the Governor may  
172 appoint a judge, or judges, pro tempore of the Alabama Tax  
173 Tribunal. Any person appointed judge pro tempore of the  
174 Alabama Tax Tribunal shall have the qualifications set forth  
175 in subdivisions (1) and (2) of subsection (d) and shall be  
176 entitled to serve for a period no longer than six months.

177 (9) A judge may disqualify himself or herself on his or  
178 her own motion in any matter, and may be disqualified for any  
179 of the causes specified in Title 12, including, but not  
180 limited to, Sections 12-1-12 and 12-1-13.

181 (d) Judges: Qualifications; Prohibition Against Other  
182 Gainful Employment.

183 (1) Each judge of the Alabama Tax Tribunal shall be a  
184 citizen of the United States and, during the period of his or  
185 her service, a resident of this state. No person shall be  
186 appointed as a judge, unless at the time of appointment, the  
187 individual has substantial knowledge of the tax law and  
188 substantial experience making the record in a tax case  
189 suitable for judicial review.

190 (2) Before entering upon the duties of office, each  
191 judge shall take and subscribe to an oath or affirmation that  
192 he or she will faithfully discharge the duties of the office,  
193 and such oath shall be filed in the office of the Secretary of  
194 State.

195 (3) Each judge shall devote his or her full time during  
196 business hours to the duties of his or her office. A judge





197 shall not engage in any other gainful employment or business,  
198 nor hold another office or position of profit in a government  
199 of this state, any other state, or the United States.

200 Notwithstanding the foregoing provisions, a judge may own  
201 passive interests in business entities and earn income from  
202 incidental teaching or scholarly activities unless the  
203 activities conflict with his or her duties as a judge.

204 (4) Alabama Tax Tribunal Judges shall be subject to  
205 disciplinary proceedings before the Judicial Inquiry  
206 Commission to the same extent as circuit judges. The Judicial  
207 Inquiry Commission shall have the authority to remove any  
208 Alabama Tax Tribunal Judge from office, after notice and an  
209 opportunity to be heard, for neglect of duty, inability to  
210 perform duties, malfeasance in office, or other good cause.

211 (5) Alabama Tax Tribunal Judges shall be classified  
212 state employees as provided in Section 36-26-10. As such, a  
213 judge, except for appointment, reconfirmation, removal, and  
214 dismissal as provided herein, shall be entitled to all  
215 benefits and protections available to classified state  
216 employees.

217 (6) The chief judge may employ one Executive Assistant  
218 III as an unclassified service state employee, as provided in  
219 Section 36-26-10(c). All other Alabama Tax Tribunal personnel  
220 shall be appointed or hired by the chief judge, as necessary  
221 for the proper operation of the Alabama Tax Tribunal and shall  
222 be state employees under the state Merit System. The Executive  
223 Assistant III employed in the Administrative Law Division as  
224 of September 30, 2014, shall be transferred to the Alabama Tax



225 Tribunal, along with any other Merit System employees employed  
226 by the Administrative Law Division on that date.

227 (e) Principal Office: Locations; Facilities.

228 (1) The Alabama Tax Tribunal's principal office shall  
229 be located in Montgomery, Alabama.

230 (2) The Alabama Tax Tribunal shall conduct hearings at  
231 its principal office. The Alabama Tax Tribunal may also hold  
232 hearings at any place within the state, with a view toward  
233 securing to taxpayers a reasonable opportunity to appear  
234 before the Alabama Tax Tribunal with as little inconvenience  
235 and expense as practicable.

236 (3) If the appeal involves a tax levied by or on behalf  
237 of only one self-administered county or municipality, the  
238 Alabama Tax Tribunal, if so requested by the self-administered  
239 county or municipality or the taxpayer, shall hold the hearing  
240 either in the county seat of the affected county or the county  
241 seat of the county in which the affected municipality is  
242 located or in the appropriate Department of Revenue taxpayer  
243 service center, according to the proximity of such  
244 municipality or county to the taxpayer service center.

245 (4) The principal office of the Alabama Tax Tribunal  
246 shall be located in a building that is separate and apart from  
247 the building in which the Department of Revenue is located.

248 (f) Appointment of Employees, Expenditures of the  
249 Alabama Tax Tribunal.

250 (1) The Alabama Tax Tribunal shall appoint employees  
251 and may employ temporary court reporters and make such other  
252 expenditures, including expenditures for library,



publications, and equipment, as are necessary to permit ~~it~~ the  
tribunal to efficiently execute its functions.

(2) No employee of the Alabama Tax Tribunal shall act  
as attorney, representative, or accountant for others in a  
matter involving any tax imposed or levied by this state.

(3) A non-merit system employee of the Alabama Tax  
Tribunal may be removed by the chief judge, after notice and  
an opportunity to be heard, for neglect of duty, inability to  
perform duties, malfeasance in office, or for other good  
cause.

(4) In addition to the services of a court reporter,  
the Alabama Tax Tribunal may contract the reporting of its  
proceedings and, in the contract, fix the terms and conditions  
under which transcripts will be supplied by the contractor to  
the Alabama Tax Tribunal and to other persons and agencies.

(g) Jurisdiction of the Alabama Tax Tribunal.

(1) Except as permitted by subsection (m) relating to  
judicial review, or the Constitution of Alabama of ~~1901~~ 2022,  
the Alabama Tax Tribunal shall be the sole, exclusive, and  
final authority for the hearing and determination of questions  
of law and fact arising under the tax laws of this state. The  
Alabama Tax Tribunal shall have jurisdiction to hear and  
determine all appeals pending before the Department of  
Revenue's Administrative Law Division on October 1, 2014, and  
all subsequent appeals filed with the Alabama Tax Tribunal  
pursuant to Chapters 2A, 27, and 29 of this title, Chapters 6,  
7A, 8, 13, and 20 of Title 32, relating to motor vehicles, ~~or~~ ;  
subdivision (2) of this subsection, relating to



self-administered counties and municipalities; business license or privilege taxes or fees levied by counties; or Section 11-51-90, relating to the license of trades, businesses, professions, or other similar activities.

a. However, except for business license or privilege taxes or fees when levied by counties or license taxes or fees charged under Section 11-51-90, such jurisdiction shall also be limited to only those self-administered counties and municipalities that choose to participate under the auspices of the Alabama Tax Tribunal.

b. Such jurisdiction shall not apply to appeals filed directly with the circuit court from a final assessment entered by the department or from the department's denial in whole or in part of a claim for refund.

c. Such jurisdiction shall not apply to the assessment of ad valorem taxes, except that appeals from final assessments of value of property of public utilities under Chapter 21 may be heard by the Alabama Tax Tribunal in accordance with the procedures set forth in this chapter.

(2) a. Unless a self-administered county or municipality elects, in the manner prescribed below, to divest the Alabama Tax Tribunal of jurisdiction over appeals of final assessments or denied refunds in whole or in part, of any sales, use, rental, or lodgings taxes levied or collected from time to time by or on behalf of the self-administered county or municipality, a taxpayer may appeal a final assessment or denied refund involving any such tax to the Alabama Tax Tribunal in accordance with the procedures and requirements



provided in Section 40-2A-7 and this chapter. For purposes of any appeal filed by a taxpayer pursuant to this section, the term "department" as used in Section 40-2A-7 means the governing body of the applicable self-administered county or municipality and not the Department of Revenue, and the term "secretary" as used in Section 40-2A-7 means the clerk of the governing body of the applicable self-administered county or municipality.

b. Subject to the limitation imposed by paragraph e., the election-out under this section shall be made by serving a copy of the ordinance or resolution evidencing the election-out, adopted by the governing body of the self-administered county or municipality pursuant to this section, with the Alabama Tax Tribunal. Service may be accomplished by mailing a copy of the ordinance or resolution, certified by an appropriate official, by either U.S. mail with delivery confirmation or certified U.S. mail, return receipt requested, by hand delivery, or by an expedited courier service to the Alabama Tax Tribunal's office. The Alabama Tax Tribunal shall promptly publish notice of the election-out pursuant to paragraph d., and the election shall be effective on the date that notice is published. Notwithstanding the foregoing, appeals of final assessments or denied refunds involving the electing county or municipality that were pending before the Alabama Tax Tribunal on the date that notice of the election-out is published shall continue to be heard and decided by the Alabama Tax Tribunal as if the election-out had not been made.



337 c. Subject to the limitation imposed by paragraph e.,  
338 an election-out may be revoked, prospectively, by the  
339 governing body of the self-administered county or municipality  
340 at any time by resolution or ordinance, a certified copy of  
341 which shall be served on the Alabama Tax Tribunal in the  
342 manner prescribed above. The revocation of an election-out  
343 vests jurisdiction in the Alabama Tax Tribunal over all  
344 appeals of final assessments or denied refunds, in whole or in  
345 part, of the county's or municipality's sales, use, rental,  
346 and lodgings taxes that are entered or denied on or after the  
347 date that notice of revocation is published by the Alabama Tax  
348 Tribunal.

349 d. At least once a month, the Alabama Tax Tribunal  
350 shall provide the Department of Revenue with a list of all  
351 self-administered counties and municipalities that have  
352 elected-out pursuant to paragraph b. or that have filed a  
353 notice of revocation of their election-out pursuant to  
354 paragraph c. The Department of Revenue shall publish the list  
355 on its website and otherwise make available to the public in  
356 the same manner that the rates and administrators of certain  
357 county and municipal taxes are published by the Department of  
358 Revenue. The Alabama Tax Tribunal may also publish the list on  
359 its own website.

360 e. A self-administered county or municipality may make  
361 only one election-out under paragraph b. or one revocation  
362 under paragraph c. during each calendar year. If an appeal is  
363 timely filed with the Alabama Tax Tribunal after the notice of  
364 an election-out by the self-administered county or



municipality is published by the Alabama Tax Tribunal, the appeal shall be deemed timely filed with and transferred to the self-administered county or municipality. If an appeal is timely filed with a self-administered county or municipality after the notice of revocation by the self-administered county or municipality is published by the Alabama Tax Tribunal, the appeal shall be deemed timely filed with and transferred to the Alabama Tax Tribunal.

f. The appeals process for a self-administered county or municipality that has elected to divest the Alabama Tax Tribunal of jurisdiction shall function in a manner similar to the procedures prescribed for appeals to the Alabama Tax Tribunal. The hearing or appeals officer shall function and conduct hearings in a manner similar to the Chief Judge of the Alabama Tax Tribunal and must be impartial and reasonably knowledgeable of the sales, use, rental, and lodgings tax laws and the taxing jurisdiction's applicable code or ordinances.

(3) Except as permitted by subsection (m) relating to judicial review, no person shall contest any matter within the jurisdiction of the Alabama Tax Tribunal in any action, suit, or proceeding in any other court of the state. However, such exclusive jurisdiction shall not be required of those self-administered counties and municipalities that choose not to participate under the auspices of the Alabama Tax Tribunal. With the aforementioned exceptions noted, if a person attempts to contest any matter with the remaining jurisdiction, then such action, suit, or proceeding shall be dismissed without prejudice. The improper commencement of any action, suit, or



393 proceeding will not extend the time period for commencing a  
394 proceeding in the Alabama Tax Tribunal.

395 (4) Except in cases involving the denial of a claim for  
396 refund and except as provided in Alabama statute regarding  
397 jeopardy assessments, the taxpayer shall have the right to  
398 have his or her case heard by the Alabama Tax Tribunal prior  
399 to the payment of any of the amounts asserted as due by the  
400 Department of Revenue and prior to the posting of any bond.

401 (5) If, with or after the filing of a timely notice of  
402 appeal, the taxpayer pays all or part of the tax or other  
403 amount in issue before the Alabama Tax Tribunal has rendered a  
404 decision, the Alabama Tax Tribunal shall treat the taxpayer's  
405 notice of appeal as a protest of a denial of a claim for  
406 refund of the amount so paid.

407 (6) The Alabama Tax Tribunal shall decide questions  
408 regarding the constitutionality of the application of statutes  
409 to the taxpayer and the constitutionality of regulations  
410 promulgated by the Department of Revenue, but shall not have  
411 the power to declare a statute unconstitutional on its face. A  
412 taxpayer desiring to challenge the constitutionality of a  
413 statute on its face, at the taxpayer's election, may do so by  
414 one of the following methods:

415 a. Commence a declaratory action in the courts of  
416 Alabama with respect to the constitutional challenge, and file  
417 a notice of appeal with the Alabama Tax Tribunal with respect  
418 to the remainder of the matter, which proceeding shall be  
419 stayed by the Alabama Tax Tribunal pending final resolution of  
420 the constitutional challenge.





421           b. File a notice of appeal with the Alabama Tax  
422 Tribunal with respect to issues other than the constitutional  
423 challenge, in which the taxpayer preserves the constitutional  
424 challenge until the entire matter, including the  
425 constitutional challenge and the facts related to the  
426 constitutional challenge, is presented to the appellate court.

427           c. Commence and simultaneously prosecute a declaratory  
428 action in the courts of Alabama with respect to the  
429 constitutional challenge and a proceeding in the Alabama Tax  
430 Tribunal with respect to the remainder of the issues.

431           (h) Pleadings.

432           (1) A taxpayer may commence a proceeding in the Alabama  
433 Tax Tribunal by filing a notice of appeal protesting the  
434 Department of Revenue's determination imposing a liability for  
435 tax, penalty, or interest; denying a refund or credit  
436 application; canceling, revoking, suspending, or denying an  
437 application for a license, permit, or registration; or taking  
438 any other action that gives a person the right to a hearing  
439 under the law. The notice of appeal shall be filed in  
440 accordance with the time periods required by Sections 40-2A-7  
441 and 40-2A-8, or any other applicable provision that is within  
442 the jurisdiction of the Alabama Tax Tribunal. For purposes of  
443 this chapter, the term "taxpayer" includes a person a. who is  
444 challenging the state's jurisdiction over the person, and b.  
445 who has standing to challenge the validity or applicability of  
446 the tax. The notice of appeal filed by the taxpayer with the  
447 Alabama Tax Tribunal shall identify the final assessment,  
448 denied refund, or other act or refusal to act by the



department which is the subject of the appeal, the position of the appealing party, the basis on which relief should be granted, and the relief sought. A notice of appeal that does not include all of the above information shall be sufficient to invoke the jurisdiction of the Alabama Tax Tribunal. The judge may require a taxpayer to file an amended notice of appeal if more information is deemed necessary.

(2) If the appeal involves a tax levied by or on behalf of a self-administered county or municipality, the Alabama Tax Tribunal shall promptly mail a copy of the notice of appeal by either U.S. mail with delivery confirmation or certified U.S. mail to the governing body of the affected county or municipality and shall provide the taxpayer or its authorized representative with written notification of the date the copy was mailed to the governing body. The affected county or municipality shall file a written answer with the Alabama Tax Tribunal within 45 days of the date of mailing the notice of appeal to the affected county or municipality. The judge may allow the county or municipality additional time, not to exceed 45 days, within which to file an answer. The answer shall state the facts and the issues involved and the county's or municipality's position relating thereto. The judge may require the county or municipality to file an amended answer if more information is deemed necessary. The county or municipality and its authorized representatives may consult with the Legal Division of the Department of Revenue concerning the appeal.

(3) The Alabama Tax Tribunal shall notify the Legal



477 Division of the Department of Revenue in writing that an  
478 appeal has been filed and shall mail a copy of such  
479 notification to the taxpayer or its authorized representative.  
480 The Department of Revenue shall file its answer in the Alabama  
481 Tax Tribunal no later than 45 days after its receipt of the  
482 Alabama Tax Tribunal's notification that the taxpayer has  
483 filed a notice of appeal. Upon written request, the Alabama  
484 Tax Tribunal may grant up to 45 additional days to file an  
485 answer. The Department of Revenue shall serve a copy on the  
486 taxpayer's representative or, if the taxpayer is not  
487 represented, on the taxpayer, and shall file proof of such  
488 service with the answer.

489 (4) The taxpayer may file a reply in the Alabama Tax  
490 Tribunal within 30 days after receipt of the answer. The  
491 taxpayer shall serve a copy on the authorized representative  
492 of the Department of Revenue and shall file proof of such  
493 service with the reply. When a reply has been filed, or, if no  
494 reply has been filed, then 30 days after the filing of the  
495 answer, the controversy shall be deemed at issue and will be  
496 scheduled for hearing.

497 (5) Either party may amend a pleading once without  
498 leave at any time before the period for responding to it  
499 expires. After such time, a pleading may be amended only with  
500 the written consent of the adverse party or with the  
501 permission of the Alabama Tax Tribunal. The Alabama Tax  
502 Tribunal shall freely grant consent to amend upon such terms  
503 as may be just. Except as otherwise ordered by the Alabama Tax  
504 Tribunal, there shall be an answer or reply to an amended



pleading if an answer or reply is required to the pleading being amended. Filing of the answer, or, if the answer has already been filed, the amended answer, shall be made no later than 75 days after filing of the amended notice of appeal. Filing of the reply or, if the reply has already been filed, the amended reply, shall be made within 30 days after filing of the amended answer. The taxpayer may not amend a notice of appeal after expiration of the time for filing a notice of appeal, if such amendment would have the effect of conferring jurisdiction on the Alabama Tax Tribunal over a matter that would otherwise not come within its jurisdiction. An amendment of a pleading shall relate back to the time of filing of the original pleading, unless the Alabama Tax Tribunal shall order otherwise either on motion of a party or on the Alabama Tax Tribunal's own initiative.

(i) Fees. No filing fee shall be imposed for any appeal filed with the Alabama Tax Tribunal.

(j) Discovery and Stipulation.-

(1) The parties to a proceeding shall make every effort to achieve discovery by informal consultation or communication, before invoking the discovery mechanisms authorized by this section.

(2) The parties to a proceeding shall stipulate all relevant and non-privileged matters to the fullest extent to which complete or qualified agreement can or fairly should be reached. Neither the existence nor the use of the discovery mechanisms authorized by this section shall excuse failure to comply with this provision.



(3) Subject to reasonable limitations prescribed by the Alabama Tax Tribunal, a party may obtain discovery by written interrogatories; requests for the production of returns, books, papers, documents, correspondence, or other evidence; depositions of parties, non-party witnesses and experts; and requests for admissions. The Alabama Tax Tribunal may provide for other forms of discovery.

(4) A judge of the Alabama Tax Tribunal, on the request of any party to the proceeding, may issue subpoenas requiring the attendance of witnesses and giving of testimony and subpoenas duces tecum requiring the production of evidence or things.

(5) Any employee of the Alabama Tax Tribunal designated in writing for the purpose by the chief judge may administer oaths.

(6) Any witness subpoenaed or whose deposition is taken shall receive the same fees and mileage as a witness in a circuit court of Alabama.

(7) The Alabama Tax Tribunal may enforce its orders on discovery and other procedural issues, among other means, by deciding issues wholly or partly against the offending party.

(k) Hearings.

(1) Proceedings before the Alabama Tax Tribunal shall be tried de novo and without a jury.

(2) Except as set forth in this chapter or otherwise precluded by law, the Alabama Tax Tribunal shall take evidence, conduct hearings, and issue final and preliminary orders. An appeal may be held in abeyance at the discretion of



the judge or may be submitted for decision on a joint stipulation of facts without a hearing or as otherwise agreed by the parties. A judge of the Alabama Tax Tribunal, with or without a hearing, may dismiss any appeal or grant appropriate relief to any party, if a party refuses to comply with any regulation or statute concerning appeals before the Alabama Tax Tribunal or if a party refuses to comply with any preliminary order directing the party to take such action as deemed appropriate by a judge of the Alabama Tax Tribunal.

(3) Hearings shall be open to the public and shall be conducted in accordance with such rules of practice and procedure as the Alabama Tax Tribunal may promulgate.

Notwithstanding the foregoing, on motion of either party, the Alabama Tax Tribunal shall issue a protective order or an order closing part or all of the hearing to the public, if the party shows good cause to protect certain information from being disclosed to the public.

(4) The Alabama Tax Tribunal shall not be bound by the rules of evidence applicable to civil cases in the circuit courts of this state. The Alabama Tax Tribunal shall admit relevant evidence, including hearsay, if it is probative of a material fact in controversy. The Alabama Tax Tribunal shall exclude irrelevant and unduly repetitious evidence. Notwithstanding the foregoing, the rules of privilege recognized by law shall apply.

(5) Testimony may be given only on oath or affirmation.

(6) The notice of appeal and other pleadings in the proceeding shall be deemed to conform to the proof presented



at the hearing, unless a party satisfies the Alabama Tax Tribunal that presentation of the evidence would unfairly prejudice the party in maintaining its position on the merits or unless deeming the taxpayer's notice of appeal to conform to the proof would confer jurisdiction on the Alabama Tax Tribunal over a matter that would not otherwise come within its jurisdiction.

(7) In the case of an issue of fact, the taxpayer shall have the burden of persuasion by a preponderance of the evidence in the record, except that the Department of Revenue shall have the burden of persuasion in the case of an assertion of fraud and in other cases provided by law.

(8) Proceedings before the Alabama Tax Tribunal shall be officially reported. The state shall pay the expense of reporting from the appropriation for the Alabama Tax Tribunal.

(1) Decisions.

(1) The Alabama Tax Tribunal shall render its decision in writing, including therein a concise statement of the facts found and the conclusions of law reached. The Alabama Tax Tribunal's decision, subject to law, shall grant such relief, invoke such remedies, and issue such orders as it deems appropriate to carry out its decision. A judge may enter a preliminary order directing one or more parties to take such action as deemed appropriate or referring any issue or issues in dispute to the Department of Revenue's Taxpayer Advocate for consideration if the issue or issues relate to a tax administered by the Department of Revenue. A judge, after a hearing or after a case is otherwise submitted for decision,



617 may issue an opinion and preliminary order, which shall  
618 include findings of fact and conclusions of law. The opinion  
619 and preliminary order may direct the department to recompute a  
620 taxpayer's liability or the amount of a refund due or for any  
621 party to take such action as specified in the preliminary  
622 order.

623 (2) The Alabama Tax Tribunal shall render its  
624 preliminary or final order, as applicable, no later than six  
625 months after submission of the last brief filed subsequent to  
626 completion of the hearing or, if briefs are not submitted,  
627 then no later than six months after completion of the hearing.  
628 The Alabama Tax Tribunal may extend the six-month period, for  
629 good cause, up to three additional months.

630 (3) If the Alabama Tax Tribunal fails to render either  
631 a preliminary order or a final order within the prescribed  
632 period, either party may institute a proceeding in the circuit  
633 court to compel the issuance of such decision.

634 (4) The Alabama Tax Tribunal's decision shall finally  
635 decide the matters in controversy, unless any party to the  
636 matter timely appeals the decision as provided in this  
637 chapter.

638 (5) Any party may apply for rehearing from any final  
639 order or opinion and preliminary order of the Alabama Tax  
640 Tribunal; provided, however, the application must be filed  
641 within 15 days from the date of entry of such order. The  
642 application for rehearing shall specify the reasons and  
643 supporting arguments why such order is incorrect and should be  
644 reconsidered. The timely filing of an application for





rehearing from a final order shall suspend the time period for filing an appeal to circuit court as provided in this chapter. If an application for rehearing is timely filed, the judge shall thereafter issue a final or other order on rehearing, either with or without a hearing on the application, at the discretion of the judge. The time for filing a notice of appeal to circuit court shall begin anew on the date of entry of the final order on rehearing.

(6) The Alabama Tax Tribunal's final order shall have the same effect, and shall be enforced in the same manner, as a judgment of a circuit court of the state, unless altered or amended on appeal or rehearing.

(7) The Alabama Tax Tribunal's interpretation of a taxing statute subject to contest in one case shall be followed by the Alabama Tax Tribunal in subsequent cases involving the same statute, and its application of a statute to the facts of one case shall be followed by the Alabama Tax Tribunal in subsequent cases involving similar facts, unless the Alabama Tax Tribunal's interpretation or application conflicts with that of an appellate court or the Alabama Tax Tribunal provides satisfactory reasons for reversing prior precedent.

(m) Appeals.

(1) Other than an application for rehearing to the Alabama Tax Tribunal, the exclusive remedy for review of any final or other appealable order issued by the Alabama Tax Tribunal shall be by appeal to the appropriate circuit court.

(2) The taxpayer, a self-administered county or



673 municipality whose tax is within the jurisdiction of the  
674 Alabama Tax Tribunal, or the Department of Revenue may appeal  
675 to circuit court from a final or other appealable order issued  
676 by the Alabama Tax Tribunal by filing a notice of appeal with  
677 the appropriate circuit court within 30 days from the date the  
678 final or other appealable order was entered. A copy of the  
679 notice of appeal shall be submitted to the Alabama Tax  
680 Tribunal within the 30-day appeal period. The Alabama Tax  
681 Tribunal shall thereafter prepare a record on appeal, which  
682 shall include the orders of the Alabama Tax Tribunal, the  
683 stenographic transcript of the hearing before the Alabama Tax  
684 Tribunal, the pleadings, and all exhibits and documents  
685 admitted into evidence. The appeal shall be filed in the  
686 following circuit courts:

687       a. Any appeal by the Department of Revenue or a  
688 self-administered county or municipality whose tax is within  
689 the jurisdiction of the Alabama Tax Tribunal shall be filed  
690 with the circuit court of the county in which the taxpayer  
691 resides or has a principal place of business in Alabama.

692       b. Any appeal by the taxpayer shall be filed with the  
693 Circuit Court of Montgomery County, Alabama, or with the  
694 circuit court of the county in which the taxpayer resides or  
695 has a principal place of business in Alabama.

696       c. Notwithstanding paragraphs a. and b., if the  
697 taxpayer does not reside in Alabama or have a principal place  
698 of business in Alabama, any appeal by the taxpayer, the  
699 Department of Revenue, or a self-administered county or  
700 municipality whose tax is within the jurisdiction of the



701 Alabama Tax Tribunal shall be filed with the Circuit Court of  
702 Montgomery County, Alabama.

703 (3) If the appeal to circuit court pursuant to  
704 subdivision (2)b. is by a taxpayer from a final order  
705 involving a final assessment, the taxpayer shall, within the  
706 30-day period allowed for appeals, satisfy one of the  
707 requirements under Section 40-2A-7(b)(5)b.2., relating to  
708 appeals to circuit court.

709 (4) The appeal to circuit court from a final or other  
710 appealable order issued by the Alabama Tax Tribunal shall be a  
711 trial de novo, except that the order shall be presumed prima  
712 facie correct and the burden shall be on the appealing party  
713 to prove otherwise. The circuit court shall hear the case by  
714 its own rules and shall decide all questions of fact and law.  
715 The administrative record and transcript shall be transmitted  
716 to the reviewing court as provided herein and shall be  
717 admitted into evidence in the trial de novo; subject to the  
718 rights of either party to object to any testimony or evidence  
719 in the administrative record or transcript. With the consent  
720 of all parties, judicial review may be on the administrative  
721 record and transcript. The circuit court shall affirm, modify,  
722 or reverse the order of the Alabama Tax Tribunal, with or  
723 without remanding the case for further hearing, as justice may  
724 require.

725 (n) Representation.

726 (1) Appearances in proceedings conducted by the Alabama  
727 Tax Tribunal may be by the taxpayer; by an attorney admitted  
728 to practice in this state, including an attorney who is a



729 partner or member of, or is employed by, an accounting or  
730 other professional services firm; by an accountant licensed in  
731 this state; or by an authorized representative. The Alabama  
732 Tax Tribunal may allow any attorney or accountant authorized  
733 to practice or licensed in any other jurisdiction of the  
734 United States to appear and represent a taxpayer in  
735 proceedings before the Alabama Tax Tribunal for a particular  
736 matter. In addition, the Alabama Tax Tribunal may promulgate  
737 rules and regulations permitting a taxpayer to be represented  
738 by an officer, employee, partner, or member.

739 (2) The department shall be represented by an  
740 authorized representative in all proceedings before the  
741 Alabama Tax Tribunal.

742 (o) Publication of Decisions.

743 The Alabama Tax Tribunal shall index and publish its  
744 final decisions in such print or electronic form as it deems  
745 best adapted for public convenience. Such publications shall  
746 be made permanently available and constitute the official  
747 reports of the Alabama Tax Tribunal.

748 (p) Service of Process.

749 (1) Mailing by first class or certified or registered  
750 mail, postage prepaid, to the address of the taxpayer given on  
751 the taxpayer's notice of appeal, or to the address of the  
752 taxpayer's representative of record, if any, or to the usual  
753 place of business of the Department of Revenue, shall  
754 constitute personal service on the other party. The Alabama  
755 Tax Tribunal, by rule, may prescribe that notice by other  
756 means shall constitute personal service and, in a particular



757 case, may order that notice be given to additional persons or  
758 by other means.

759 (2) Mailing by registered or certified mail and  
760 delivery by a private delivery service approved by the  
761 Internal Revenue Service in accordance with Section 7502(f) of  
762 the Internal Revenue Code of 1986, as amended, shall be deemed  
763 to have occurred, respectively, on the date of mailing and the  
764 date of submission to the private delivery service.

765 (3) Timely mailed document considered to be timely  
766 filed.

767 (q) Rules and Forms.

768 The Alabama Tax Tribunal is authorized to promulgate  
769 and adopt all reasonable rules pursuant to the Alabama  
770 Administrative Procedure Act and forms as may be necessary or  
771 appropriate to carry out the intent and purposes of this  
772 chapter.

773 (r) Budget of Alabama Tax Tribunal.

774 The Chief Judge of the Alabama Tax Tribunal may  
775 contract or enter into agreements with any private or  
776 governmental agency, upon approval of the Director of Finance,  
777 for the rental of office space, and the rental or purchase of  
778 equipment, administrative or other support services, supplies,  
779 and all other property or services necessary for the operation  
780 of the Alabama Tax Tribunal. The funds for the operation of  
781 the Alabama Tax Tribunal shall be administered by the Alabama  
782 Tax Tribunal, through the chief judge. With respect to the  
783 fiscal year beginning October 1, 2014, there shall be  
784 transferred from the Revenue Department Administrative Fund to



785 the Alabama Tax Tribunal the amount of four hundred  
786 twenty-five thousand dollars (\$425,000). The amount  
787 transferred from the Revenue Department Administrative Fund  
788 shall be disbursed to the Alabama Tax Tribunal in four equal  
789 increments, at the beginning of each quarter of the fiscal  
790 year. Thereafter, the Chief Judge of the Alabama Tax Tribunal,  
791 shall prepare an annual budget and funds shall be appropriated  
792 annually by the Legislature from the Revenue Department  
793 Administrative Fund to be used exclusively for the operation  
794 of the Alabama Tax Tribunal."

795 Section 7. This act shall become effective on October  
796 1, 2025.



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President and Presiding Officer of the Senate

Speaker of the House of Representatives

SB174

Senate 08-Apr-25

I hereby certify that the within Act originated in and passed the Senate, as amended.

Patrick Harris,  
Secretary.

House of Representatives

Passed: 01-May-25

By: Senator Chambliss

APPROVED

5-14-2025

TIME

1:35 pm

GOVERNOR

Alabama Secretary Of State

Act Num....: 2025-408

Bill Num....: S-174

ENGROSSED

Senate Bill No. 174

SPONSOR

Chantoli, SS

O-SPONSORS

SENATE ACTION

I hereby certify that the Resolution as required in Section C of Act No. 81-889 was adopted and is attached to the Bill, SB 174.

yeas 33 nays 0 abstain 0

PATRICK HARRIS,  
Secretary

I hereby certify that the notice & proof is attached to the Bill, SB \_\_\_\_\_ as required in the General Acts of Alabama, 1975 Act No. 919.

PATRICK HARRIS,  
Secretary

CONFERENCE COMMITTEE

Senate Conferees \_\_\_\_\_

\_\_\_\_\_

HOUSE ACTION

DATE: 4.9 2025

RD 1 RFD 5:44

REPORT OF STANDING COMMITTEE

This bill having been referred by the House to its standing committee on \_\_\_\_\_ was acted upon by such committee in session, and returned therefrom to the House with the recommendation that it be (Passed, w/amend(s) w/sub \_\_\_\_\_.

This 17 day of April, 2025, \_\_\_\_\_, Chairperson

DATE: 4.17 2025

RF RD 2 CAL

DATE: 20 \_\_\_\_\_

RE-REFERRED ☐ RE-COMMITTED ☐

Committee \_\_\_\_\_

I hereby certify that the Resolution as required in Section C of Act No. 81-889 was adopted and is attached to the Bill, SB 174.

YEAS \_\_\_\_\_ NAYS \_\_\_\_\_

JOHN TREADWELL,  
Clerk

FURTHER HOUSE ACTION (OVER)