

Business License Newsletter



Fall 2025

2025 LEGISLATIVE UPDATES

Act 2025-408 effective October 1, 2025

- Provides that any business license tax and business privilege tax levied by a locality may be appealed to the Tax Tribunal.
- Requires an annual report to provide classifications and schedules for business license tax and notice to ALDOR if any changes have occurred during the year or will change during the current year.
- Requires ALDOR to post each report on its website.
- Counties that fail to file the report shall escrow subsequent business license taxes and business privilege taxes until compliant.
- All counties and municipalities are required to complete the private entity questionnaire by September 30, 2025.
- The private entity questionnaire may be found at [Alabama Department of Revenue](#).

Act 2025-343 effective October 1, 2025

Extends the time to appeal a final assessment (including business licenses) or license/permit revocation to the Tax Tribunal from 30 days to 60 days.

IS A LICENSE REQUIRED?

CBD OIL SHOPS: Requires a Section 315 store license.

VAPE SHOPS: A Section 315 store license is required. Contact the ABC Board for additional requirements.

MEDICAL CANNABIS: Contact the Alabama Medical Cannabis Commission for information related to licenses for a cultivator processor, secure transporter, state testing laboratory, or dispensary,

FARMERS SELLING PRODUCTS: A Section 105 fruit dealer license is required for all persons selling fruit from a stand, store, or other permanent location. Section 105 does not provide an exemption for home grown fruits. If a fruit dealer is selling home grown fruit with no established place of business, the dealer would not be required to obtain the Section 105 nor the Section 174 transient vendor license. Note: See Section 174(f) - transient vendors selling homegrown fruits are exempt from this license.

TRANSIENT VENDORS AND PEDDLERS: Section 174 transient vendor license requirements are determined by the mode of transportation and if the vendor will be displaying, selling, or offering to sell the products. Refer to the Business Privilege License Handbook for guidance.

INTERSTATE TRUCKING COMPANIES: No state business privilege license is required. However, contact the Motor Vehicle Division, Motor Carrier Services, and ALDOT to obtain IFTA and IRP permits.

DAYCARES/GROUP HOMES: No state business privilege license is required. However, contact the Alabama Department of Human Resources and Alabama Department of Public Health to inquire about possible licenses and permits.

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. Contact ALDOR, Sales and Use Tax Division, at 334-242-1490 for questions relating to rental tax.

**Business and License Tax Division, Severance and License Section,
P.O. Box 327550, Montgomery, AL 36132-7550**

ALDOR TO HOST A COUNTY WEBINAR

Stay tuned... In January 2026, the Severance and License Section will host its first webinar to interact, provide helpful information, and allow an opportunity for questions. More details to follow.

REMINDERS

- Business license reports/checks are required to be mailed to ALDOR by the 20th of the month (by the 30th in the months of October, November, and December).
- Verify that all the required pages of the business license reports are printed and are included before mailing. This includes the store, chain, and transfer reports, as well as the recapitulation.
- Confirm mailing labels are properly addressed to ALDOR. (See address on front page.)

IMPORTANT DATA EXCHANGE PORTAL (DEP) UPDATE

There are 55 counties submitting the monthly business license reports to the ALDOR Data Exchange Portal (DEP) using an SFTP connection along with an SSH Private/Public key pair. The goal is to have all counties using this system. **Therefore, all counties and vendors who have not converted to the DEP method when filing the monthly business license reports are encouraged to do so immediately by contacting ALDOR at license.account@revenue.alabama.gov or 334-353-7827, Option 5, to obtain the registration form.** Some of the benefits to registering are: Programmatic SFTP connections, no manual login to the DEP web application, and no resetting passwords every 60 days.

2025-26 LICENSE YEAR PAPER COLOR

The privilege license paper color for 2025-26 is **Green #339**. If your county is printing its licenses on paper that you purchased rather than the paper supplied by the State Comptroller's Office, then please use this color for the new license year. **If you no longer use the Comptroller's paper, notify their office at 334-242-7830 or send an email to Jenny.Neese@comptroller.alabama.gov.**

The State Comptroller **KATHLEEN D. BAXTER** and Commissioner of Revenue **VERNON BARNETT** names must be displayed on all business privilege licenses. **Note:** If using an electronic signature for the commissioner, permission must be granted prior to applying it to the license.

RESOURCES

[Privilege License Handbook](#) – General provisions, list of licenses and fees required per Title 40, Chapter 12, interpretations

[Quick Reference Guide](#) – List of licenses required by type of business, possible licenses, and helpful notes

[Probate Office Directory](#) – List of contact information for each county

[Business Essentials for State Taxpayers \(B.E.S.T.\) webinars](#) – Helpful information for current and new business owners

Note: If a link to the handbook is shown on your county's webpage, please update the link to reflect the correct version.

Follow ALDOR on social media!

[ALDOR YouTube Channel](#) Helpful videos concerning various tax matters

[ALDOR Facebook](#) Follow ALDOR for updates