

Exemption Of ~~\$40~~\$100,000 In Market Value For Tangible Personal Property.

Pursuant to §40-9-1, Code of Ala. 1975, the tangible personal property owned by a business and reported in accordance with Article 1 of Chapter 7, Title 40, shall be exempt from state-levied ad valorem tax to the extent of forty thousand dollars (\$40,000) in market value, ~~is exempt from the state-levied ad valorem tax~~for collections in 2024 and 2025 and one hundred thousand dollars (\$100,000) in market value for collections in 2026 and after.

(1) The exemption provided may be applied to an account in which owners of tangible business personal property are required to file form ADV-40 with the county tax assessing official, in accordance with administrative rule 810-4-1-.12.

(2) Adoption and Discontinuance Requirements for Counties and Municipalities.

(a) A county or municipality may likewise choose to exempt to the extent of ~~\$40~~\$100,000 in market value of its tax levy on tangible business personal property by resolution or ordinance. The ordinance or resolution must be adopted at least 90 days prior to October 1, for taxes that become due and payable on October 1 of the immediately following year.

(b) A county or municipality that previously authorized the exemption to the extent of ~~\$40~~\$100,000 in market value of its levy on tangible personal property may choose to discontinue the exemption in a subsequent year by adopting a resolution or ordinance at least 90 days prior to October 1, for taxes that become due and payable on October 1 of the immediately following year.

(3) Notification Requirements for Counties and Municipalities.

(a) Copy to County Tax Assessing Official. A copy of the ordinance or resolution authorizing or discontinuing the exemption must be provided to the county tax assessing officials in which the taxing jurisdiction extends by August 1 of the same year. If a municipality's taxing jurisdiction extends into more than one county, each county tax assessing official must be provided with a copy of the ordinance or resolution.

(b) Copy to the Department. A copy of the ordinance or resolution authorizing or discontinuing the exemption

must be provided to the department no later than October 1 of the same year. The department shall maintain a list of the active resolutions and ordinances.

Author: Evelyn Pope, Kristie Pratt

Statutory Authority: ~~§ Article 1 of Chapter 7, Title 40~~ Act 2025-344, §§40-2A-7(a)(5), 40-9-1(28), Code of Ala. 1975,
~~§§40-2A-7(a)(5), 40-9-1.~~

History: Filed May 21, 1990; August 22, 1990. **Repealed:** Filed November 2, 2004; effective December 7, 2004. **New Rule:** Published May 31, 2023; effective July 15, 2023. **Amended:**
Published ; effective .