

County and Municipal Sales and Use Tax Exemptions.1. Definitions.

- a. Department - The Alabama Department of Revenue

2. Procedures.

- a. Pursuant to Act 2025-280, any law that enacts or amends a sales and use tax exemption shall apply only to state sales and use taxes and shall not apply to county or municipal sales and use taxes, unless all the following are satisfied:

- 1. The law provides for exemption of county or municipal sales and use taxes.
- 2. The exemption is approved by resolution or ordinance of the county or municipality.
- 3. The county commission or municipality provides notice of the resolution to the Department by July 1 prior to the effective date of the exemption.
- 4. Resolutions and ordinances should be provided to the Department's local tax unit by either of the following methods:

- (i). Uploading the required documents to the local government portal, which may be accessed through the Department's website under Local Governments.

- (ii). Submitting by email
to localtaxunit@revenue.alabama.gov.

- 5. The date of receipt of the notice by the Department ("received date") shall be determined by the date stamp of the required documentation that is uploaded to the local government portal or by the date of the email.
- b. The resolution or ordinance must include all the following:
 - 1. An effective date of September 1 of a given year for the exemption.

2. The duration of the exemption, which must be in fiscal year increments or in perpetuity.
- c. A county or municipality may rescind a county or municipal sales and use tax exemption by resolution or ordinance provided both of the following conditions are met:
 3. The rescission is effective beginning on September 1 of a given fiscal year.
 4. The county commission or municipality provides notice of the resolution or ordinance to the Department by July 1 prior to the effective date of the rescission.
5. Publication Requirement.
 - a. The Department will publish and maintain a list of county and municipal sales and use tax exemptions that are adopted pursuant to Act 2025-280. This list is available on the Department's website.

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Statutory Authority: § 40-2A-7(a)(5), Code of Ala. 1975 and Act 2025-280

History: New Rule: Published _____; effective _____.