



ALABAMA  
DEPARTMENT OF  
**REVENUE**

**GENERAL SUMMARY  
OF STATE TAXES**

**2019**

**The Alabama Department of Revenue is an Affirmative Action/Equal Opportunity Employer.**

**Equal Employment Opportunity Policy**

It is the intent of the Alabama Department of Revenue to maintain a work environment that is free from discrimination against qualified individuals because of race, color, sex, religion, national origin, age, genetic information or disability. This department is committed to providing equal employment opportunity for all.

**Alabama Department of Revenue  
General Summary of State Taxes**

**Vernon Barnett  
Commissioner**



Published by the Alabama Department of Revenue  
Tax Policy and Governmental Affairs Division  
2019

# Table of Contents

## INTRODUCTION

### General Information

Revenue Department Website . . . . .	2
Income Tax Refund Inquiry . . . . .	2
Taxpayers' Bill of Rights . . . . .	2
Historical Outline . . . . .	3
General Duties and Responsibilities . . . . .	5
Office of the Commissioner of Revenue . . . . .	6
Department Directory . . . . .	8
Divisions . . . . .	9
Taxpayer Service Centers. . . . .	12

## TAX INFORMATION

Alabama Accountability Act . . . . .	13
Alabama Uniform Natural Minerals Tax . . . . .	14
Alcoholic Beverage Control Revenues . . . . .	15
Automotive Dismantler and Parts Recycler License . . . . .	16
Aviation Fuel Tax . . . . .	16
Business Privilege License . . . . .	17
Business Privilege Tax . . . . .	18
Charter (Filing) Fee . . . . .	19
Coal Severance Tax . . . . .	20
Compressed Natural Gas (CNG)/Liquefied Natural Gas (LNG) . . . . .	21
Contractors Gross Receipts Tax . . . . .	22
Corporate Income Tax . . . . .	23
Deeds and Assignments . . . . .	24
Dry Cleaning Environmental Response Trust Fund Fee . . . . .	25
Estate Tax . . . . .	26
Fiduciary Income Tax . . . . .	26
Financial Institutions' Excise Tax . . . . .	26
Forest Products' Severance Tax . . . . .	27
Freight Line Equipment Tax . . . . .	28
Gasoline and Diesel Fuel Taxes . . . . .	29
Hazardous Waste Fee . . . . .	32
Hospital Assessment for Medicaid Tax . . . . .	33
Hydroelectric KWH Tax . . . . .	33
Illegal Drug Tax . . . . .	34
Income Tax Withholding . . . . .	35
Individual Income Tax . . . . .	35
Inspection Fee . . . . .	39
International Fuel Tax Agreement (IFTA) . . . . .	40
International Registration Plan (IRP) . . . . .	40
Local Solid Minerals Taxes . . . . .	41
Lubricating Oils Tax . . . . .	42
Mandatory Liability Insurance (MLI) . . . . .	42
Manufactured Home Title and Cancellation Fee . . . . .	44
Manufactured Home Registration Fee . . . . .	44
Mineral Documentary Tax . . . . .	46

Mobile Telecommunication Services Tax . . . . .	46
Motor Carrier Mileage Tax . . . . .	47
Motor Vehicle Carrier Permit Fees . . . . .	47
Motor Vehicle Certificate of Title Fee . . . . .	48
Motor Vehicle Dealer, Rebuilder, Wholesale and Dealer Off-Site Sales Licenses . . . . .	49
Motor Vehicle Registration Fees . . . . .	50
Nursing Facility Tax . . . . .	51
Oil and Gas Privilege Tax . . . . .	52
Oil and Gas Production Tax . . . . .	53
Pari-Mutuel Pool Tax . . . . .	54
Partnership Income Tax . . . . .	54
Pharmaceutical Providers Tax . . . . .	55
Prepaid Wireless 9-1-1 Charge . . . . .	55
Property (Ad Valorem) Tax . . . . .	56
Rebuilt (Salvage) Vehicle Inspection Fee . . . . .	58
Recordation Tax . . . . .	59
Rehabilitation, Preservation and Development of Historic Structures Credit . . . . .	59
Rental or Leasing Tax . . . . .	60
Sales Tax . . . . .	61
Scrap Tire Environmental Fee . . . . .	63
Simplified Sellers Use Tax Remittance Program (SSUT) . . . . .	64
Solid Waste Disposal Fee . . . . .	64
State Horse Wagering Fee . . . . .	65
Store and Chain Store License . . . . .	65
Tobacco Master Settlement Agreement – Escrow and Complementary Legislation Provisions . . . . .	66
Tobacco Tax . . . . .	67
Transient Occupancy (Lodgings) Tax . . . . .	68
TVA Electric Payment . . . . .	69
Underground and Aboveground Storage Tank Trust Fund Charge . . . . .	70
Unemployment Compensation Tax . . . . .	70
Use Tax . . . . .	71
Utility Gross Receipts Tax . . . . .	72
2.2% Utility License Tax . . . . .	73
Wholesale Oil/Import License Fee . . . . .	73
Agency Directory for Tax Numbers . . . . .	75
Department of Revenue Tax Calendar . . . . .	76
Required Monthly Returns . . . . .	80
Distribution of State Taxes/Fees Collected . . . . .	82

**REVENUE LEGISLATION**

General Revenue Related Acts . . . . .	92
2019 First Special Session . . . . .	92
2019 Regular Session . . . . .	94
Local Revenue Related Acts . . . . .	108

# **Introduction**

The General Summary of State Taxes is published by the Alabama Department of Revenue to provide a concise handbook about the revenue sources -- taxes or fees -- currently available to the state of Alabama. The publication is divided into three sections.

The General Information section features information about the department, including a brief history of the department and a brief description of its statutory duties and responsibilities. This section also includes information about some of the services and resources available to taxpayers through the department's website, descriptions of the various service units within the department, and useful contact information.

The Tax Information section provides concise information about the taxes and fees administered by the department, including the related statutory or constitutional authority for the tax or fee; its basis and rate, related exemptions, and filing and payment due dates; and the required distribution of the proceeds from the tax or fee. This information is current through the 2019 Regular Session of the Alabama Legislature.

The Revenue Legislation Section contains legislative changes made during the 2019 Regular Session.

Inquiries about this publication may be directed to the department's Tax Policy and Governmental Affairs Division at 334-242-1380.

## **Department's Mission Statement**

The Alabama Department of Revenue will efficiently and effectively administer the revenue laws in an equitable, courteous, and professional manner to fund governmental services for the citizens of Alabama.

# **General Information**

## **Revenue Department Website**

The Department maintains a website to provide quick and easy access to a variety of state and local tax information including printable tax forms and publications, news and statistics, legal rulings and opinions, tax policy, electronic filing services, and taxpayer assistance information. The Department's website address is [www.revenue.alabama.gov](http://www.revenue.alabama.gov).

The Department provides taxpayers access to account information through its My Alabama Taxes (MAT) portal. Taxpayers can register to view their accounts online. Taxpayers can also file and pay individual taxes along with certain business taxes and print copies of their tax returns and letters. Taxpayers can access MAT by visiting the Department's home page and selecting the available link or by going to [www.myalabamataxes.alabama.gov](http://www.myalabamataxes.alabama.gov).

## **Income Tax Refund Inquiry**

Taxpayers can check the status of a refund from their iPhone or Android device by downloading the free My AL Refund app from the Apple App Store or Google Play.

## **Taxpayers' Bill of Rights, Uniform Revenue Procedures Act, and Taxpayer Advocate**

The Taxpayers Bill of Rights, Sections 40-2A-1 *et. seq.*, Code of Alabama 1975, guarantees taxpayers certain rights to uniform application and due process of Alabama's tax laws. It integrates, in a logical sequence, all these procedures and provisions into one chapter of the Alabama tax code. It also provides for the appointment of Taxpayer Advocate by the Commissioner of the Department of Revenue to resolve certain taxpayer matters.

## Historical Outline

The current revenue system of the state of Alabama has evolved through a series of legislative enactments dating back to the early 1900s.

One of the earliest revenue organizations was the State Board of Assessment. Composed of the governor, secretary of state, state auditor, and state treasurer, the board was responsible for assessing tangible property of public utilities and public service corporations.

A legislative act of 1898-99 created the Office of State Tax Commissioner, whose duties were to “aid revenue officers in the state in the collection of escaped, delinquent, back taxes and licenses, in discovering and prosecuting by civil and criminal penalties and costs all evasions or violations of the revenue laws of this state, and in the perfecting of all tax titles made under laws of this state.”

A major organizational change took place in 1915 with the dissolution of the State Board of Assessment and the creation of a State Board of Equalization. This board, which assumed the duties of the State Tax Commission (created in 1907 to directly assess the intangible property of public utilities), was required to assess all tangible and intangible property of public utilities and public service corporations.

The State Board of Equalization lasted until 1919, when the State Tax Commission was re-created. It was at that time that the first attempt was made to undertake the task of direct tax collection. Although an income tax law was passed, the Supreme Court of Alabama declared the tax unconstitutional.

Also, significant in 1919 was the passage of the General Revenue Act, which authorized the State Tax Commission to issue tags to motor vehicle dealers, issue replacement tags, and collect charges for those services. The Office of Tax Adjuster was created as part of this act, but was abolished several years later.

A second revenue act, passed in 1923, gave the State Tax Commission the power to directly assess the shares of domestic corporations. During this year, the first of a series of taxes on gasoline was levied.

The next few years brought additional duties to the State Tax Commission with the levying and direct collection of various taxes, among them taxes on tobacco; lubricating oil; gross receipts of rail line transportation companies, sleeping car companies, express companies, hydroelectric energy; and gross receipts of motor buses and automobiles for hire. A license tax for registering foreign securities, in lieu of an ad valorem tax, was provided by the legislature. In 1933, the legislature again enacted an income tax, which subsequently was upheld by the Supreme Court of Alabama.

The passage of a third revenue act in 1935 centralized the authority of the State Tax Commission in the areas of assessment and collection. Numerous licenses and taxes, which had previously been collected by other state offices, were finally

placed under the control of the State Tax Commission.

Also resulting from this act was the designation of a member of the State Tax Commission as the state land commissioner. Appointed by the governor, the land commissioner administered laws dealing with lands acquired by the state for the non-payment of taxes.

Influential revenue measures were enacted into law beginning with the Special Session in 1936. The first of these was the levy of a one and one-half percent gross receipts tax, which was later repealed and replaced with a two percent sales tax. Since the act approving the sales tax provided for the exemption of many essential commodities, it was referred to as a luxury tax act.

The former State Tax Commission was abolished in 1939 with the creation of the present day state Department of Revenue. This same year, the legislature designated the chief executive officer of the department as both the Commissioner of Revenue and the ex-officio Land Commissioner. Corresponding with these changes, the legislature created the Office of Legal Counsel within the department to provide assistance with tax litigation. With these changes the entire state revenue system was joined together under the leadership of the Commissioner of Revenue.

## **General Duties and Responsibilities of the Department**

The duties of the Alabama Department of Revenue are set forth in Section 40-2-11, Code of Alabama 1975. These duties include the following:

To inspect and examine at all reasonable business hours any books, documents, records, or papers kept by any person, firm, corporation, trustee, or receiver;

To make all assessments of taxes or penalties which it is authorized to enforce or collect and report the same to the attorney general;

To have and exercise general and complete supervision and control of the valuation, equalization, and assessment of property, privilege, or franchise and of the collection of all property, privilege, license, excise, intangible, franchise, or other taxes for the state;

To require individuals, partnerships, associations, corporations, trustees, and receivers, and the agents, officers, and employees thereof, to furnish information concerning their capital, funded or otherwise, gross receipts, net profits or income, excess profits, current assets and liabilities, values of franchises, intangibles, value of property, earnings, operating and other expenses, bonds, deeds, conduct of business, and all other facts, records, books, papers, documents, and other information of any kind demanded which may be needful in order to enable the department to ascertain the value and relative burden to be borne by every kind of property in this state and to ascertain the proper amount of license, privilege, excise, corporation, franchise, income, or ad valorem taxes;

To cause the deposition of witnesses residing within or without the state to be taken upon such notice to the interested party, if any, as the department may prescribe, in like manner as depositions of witnesses are taken in actions pending in circuit court, in any matter which the department has authority to investigate and determine. The depositions shall be taken upon a commission issued by the Department of Revenue, or the secretary thereof, in the name of the department, and returnable to the department;

To investigate the tax system of other states, to thoroughly inform itself upon the subject of taxation and of the progress made in other states and counties in improving their tax system, to formulate and recommend such legislation as may be deemed expedient to prevent evasion of existing tax laws and to secure just and equal taxation and improvements in the system of taxation in this state;

To consult and confer with the governor upon the subject of taxation and the administration of the laws and progress of the work of the department, and to furnish to the governor from time to time such information as he may require; and

To issue executions and writs of garnishment.

# **Office of the Commissioner of Revenue**

## **Commissioner**

The Commissioner of Revenue serves as the chief executive officer of the Alabama Department of Revenue. The commissioner is appointed by and serves at the pleasure of the governor.

The commissioner is responsible for the operation and management of the Department of Revenue. In addition to the administration, collection, and enforcement of over 50 state taxes and fees, with annual collections exceeding \$10 billion, the commissioner is also, by law, the ex-officio Land Commissioner.

As ex-officio Land Commissioner, the commissioner oversees the sales of all property acquired and sold by the state for delinquent property taxes. By law, the Commissioner of Revenue also serves on the State Records Commission, the Alabama Education Authority, the Alabama Public School Corporation, the Enterprise Zone Advisory Council, the State Industrial Development Authority, and the Alabama Commerce Commission.

The appointment, term of office, and qualifications of the commissioner are set forth in Section 40-2-41, Code of Alabama, 1975.

## **Assistant and Deputy Commissioners**

The assistant and deputy commissioners of the Department of Revenue are appointed positions and hold office according to the provisions of the state merit system, as provided by Chapter 26 of Title 36, Code of Alabama 1975.

Section 40-2-44, Code of Alabama 1975 establishes the office of assistant commissioner and provides that in the absence of the commissioner, the assistant commissioner will assume the duties of the office of the Commissioner of Revenue.

Assistant and deputy commissioners provide for management continuity and stability for the department irrespective of changes in state administration. Duties include but are not limited to: the development and communication of major tax policies; the creation and implementation of actions that increase the efficiency and effectiveness of the department; liaison functions with the governor and the governor's staff; and interactions with legislators, business groups, and professional associations.

## **Secretary**

Duties of the secretary include keeping full and correct minutes and records of all hearings, transactions, proceedings, and findings of the department and other duties as may be required by law or by the department.

## **Legal Counsel**

The Commissioner of Revenue, with the approval of the attorney general, appoints an attorney as legal counsel for the department who holds office at the pleasure of

the governor. The counsel shall be commissioned as an assistant attorney general and, in addition to the powers and duties conferred, have the authority and duties of an assistant attorney general; except, that his or her entire time shall be devoted to the Department of Revenue. Department attorneys takes the oath required of other assistant attorneys general.

**Taxpayer Advocate**

The Taxpayer Advocate is designated by the commissioner to assist the taxpayers of the state of Alabama with regard to tax issues resulting from any taxes administered or collected by the department.

## **Department Directory**

### **Alabama Department of Revenue**

Gordon Persons Building  
50 N. Ripley Street  
Montgomery, Alabama 36132

### **Commissioner of Revenue**

Vernon Barnett  
Rm. 4112, Gordon Persons Bldg.  
334-242-1175

### **Office of the Commissioner of Revenue**

#### **Deputy Commissioner**

Curtis Stewart  
Rm. 4112, GPB, 334-242-1175

#### **Deputy Commissioner**

Mike Gamble  
Rm. 4112, GPB, 334-242-1175

#### **Deputy Commissioner**

Donald J. Graham  
Rm. 4112, GPB, 334-242-1175

#### **Deputy Commissioner**

Derrick Coleman  
Rm. 4112, GPB, 334-242-1175

### **Legal Division**

Mark Griffin, Chief Counsel  
Rm. 3114, GPB, 334-242-9690

### **Department Secretary**

Kelley Gillikin  
Rm. 4131, GPB, 334-242-1380

### **Office of Taxpayer Advocacy**

Brenda Russ, Director  
Rm. 1226, GPB, 334-242-1055

## **Divisions**

### **Business and License Tax Division**

Janet W. Stathopoulos, Director

Alisa G. Johnson, Assistant Director

Rm. 1210, GPB, 334-242-9600

- Business Privilege Licenses
- Severance Taxes (Oil and Gas, Forest Products, Coal, Alabama Uniform Natural Minerals Tax, and Local Solid Minerals)
- Tobacco Taxes (state and county)
- Escrow and Complimentary Legislation Provisions relating to the Tobacco Master Settlement Agreement
- Hazardous Waste Fees
- Dog Race Track Pari-Mutuel Pool Tax
- State Horse Racing Fee
- Underground/Aboveground Storage Tank Trust Fund Charge
- Solid Waste Disposal Fees
- Gasoline and Diesel Fuels Taxes
- Lubricating Oil Tax
- Aviation Fuels Tax
- Wholesale Oil/Import License Fee
- Compressed Natural Gas (CNG)/Liquefied Natural Gas (LNG) Excise Taxes
- Motor Carrier Mileage Tax
- Scrap Tire Environmental Fee
- State Inspection Fee
- County Fuel Taxes
- Motor Fuel Single Point System

### **Collection Services Division**

John Q. Davis, Director

Mark Flagege, Assistant Director

Rm. 3143, GPB, 334-242-1220

- Final Assessment Collection
- Garnishments
- Property Seizures
- 100% Penalty Assessments

### **Economic Development**

Kelly Graham

Rm. 4112, GPB, 334-242-1175

### **Human Resources Division**

Linda Ellis, Director

Brandy Hicks, Assistant Director

Rm. 4102, GPB, 334-242-1670

## **Individual and Corporate Tax Division**

Kathleen Abrams, Director

Rm. 4212, GPB, 334-242-1103

Individual Income Tax Section - Craig Davis, Assistant Director

Rm. 4212, GPB, 334-242-1101

Business Tax Section - Angela Cumbie, Assistant Director

Rm. 4340, GPB, 334-242-9819

- Individual and Corporate Income Tax
- Withholding Tax
- Financial Institutional Excise Tax
- Business Privilege Tax
- Partnership, Fiduciary, and Trusts

## **Information Technology Division**

Debbie Hornsby, Director

Rm. 1115, GPB, 334-242-8500

Rita Allen, Assistant Director

Rm. 1115, 334-353-7634

## **Investigations Division**

Emanuel Roberts, Manager

955 Downtowner Blvd., Mobile, AL, 251-344-4737

## **Motor Vehicle Division**

Jay Starling, Director

Sherry Helms, Assistant Director

Montgomery Taxpayer Service Center

2545 Taylor Road, Montgomery, AL, 334-242-9000

- Motor Vehicle Titles
- Motor Vehicle Registration
- Mandatory Liability Insurance
- International Fuel Tax Agreement
- International Registration Plan
- Motor Vehicle Dealer, Rebuilder, Wholesale, and Off-Site Sales Licenses
- Automotive Dismantler and Parts Recycler License, and Buyer's ID (BID) Cards
- Rebuilt (Salvage) Vehicle Inspections
- Manufactured Home Titles and Cancellations

## **Entity Registration and Processing Services Division**

Anne Glenn, Director

Theodora Davis, Assistant Director

Rm. 1103, GPB, 334-242-1820

Entity Registration - Yolanda Thornton

Montgomery Taxpayer Service Center

2545 Taylor Road, 334-242-1584

## **Property Tax Division**

Will Martin, Acting Director

Rm. 4103, GPB, 334-242-1525

- Property Tax
- Real Property Valuation
- Personal Property Valuation
- Motor Vehicle Valuation
- Public Utility Assessments
- Freight Line & Equipment Tax
- Land Sales

## **Sales and Use Tax Division**

Randall A. Winkler, Director

Ginger Buchanan, Assistant Director

Rm. 4303, GPB, 334-242-1490

- Sales and Use Taxes
- Rental/Leasing Tax
- Transient Occupancy Tax
- Casual Sales Tax
- City and County Sales, Use, Rental/Leasing, and Transient Occupancy Taxes
- Utility Taxes
- Mobile Communications Tax
- TVA Tax
- Contractors Gross Receipts Tax
- Hospital Assessment for Medicaid
- Nursing Facilities Tax
- Pharmaceutical Providers Tax
- Dry Cleaning Environmental Response Trust Fund Fee
- Prepaid Wireless 9-1-1 Charge
- Simplified Sellers Use Tax Remittance Program

## **Tax Policy and Governmental Affairs**

Kelley Gillikin, Acting Director

Rm. 4131, GPB, 334-242-1380

- Legislative Affairs
- Revenue Rulings
- Rule Making
- Policy and Forecasting Analysis
- Media Affairs
- Training
- Recruitment and Internship Program
- Voluntary Disclosure Program
- Nexus Discovery

## Taxpayer Service Centers

### **AUBURN/OPELIKA**

3300 Skyway Drive  
Auburn, AL 36830  
Phone 334-887-9549

#### **Mailing Address**

3320 Skyway Dr., Ste. 808  
Opelika, AL 36801

### **JEFFERSON/SHELBY**

2020 Valleydale Road, Suite 208  
Hoover, AL 35244  
Phone 205-733-2740

#### **Mailing Address**

PO Box 1927  
Pelham, AL 35124-1927

### **DOTHAN**

121 Adris Place  
Dothan, AL 36303  
Phone 334-793-5803

#### **Mailing Address**

PO Box 5739  
Dothan, AL 36302-5739

### **GADSDEN**

701 Forrest Avenue  
Gadsden, AL 35901  
Phone 256-547-0554

#### **Mailing Address**

PO Drawer 1190  
Gadsden, AL 35902-1190

### **HUNTSVILLE**

4920 Corporate Dr., Suite H  
Huntsville, AL 35805  
Phone 256-837-2319

#### **Mailing Address**

PO Box 11487  
Huntsville, AL 35814-1487

### **MOBILE**

851 East I-65 Service Road South  
Suite 100  
Mobile, AL 36606  
Phone 251-344-4737

#### **Mailing Address**

PO Drawer 160406  
Mobile, AL 36616-1406

### **MONTGOMERY**

2545 Taylor Road  
Montgomery, AL 36117  
Phone 334-242-2677

#### **Mailing Address**

PO Box 327490  
Montgomery, AL 36132-7490

### **SHOALS**

201 South Court Street, Suite 200  
Florence, AL 35630  
Phone 256-383-4631

#### **Mailing Address**

PO Box 219  
Florence, AL 35631-0219

### **TUSCALOOSA**

1434 22nd Avenue  
Tuscaloosa, AL 35401  
Phone 205-759-2571

#### **Mailing Address**

PO Box 2467  
Tuscaloosa, AL 35403-2467

# **Tax Information**

## **Alabama Accountability Act**

### **Authority**

Sections 16-6D-1 through 16-6D-9, Code of Alabama 1975.

### **Basis**

Parents of students enrolled in or assigned to attend a failing public K-12 school who transfer to a non-failing public school or nonpublic school in Alabama will be issued an income tax credit.

### **Rate**

Income tax credit for parents of students enrolled in or assigned to attend a failing public K-12 school in Alabama is limited to the lesser of (1) actual costs incurred to transfer a student to a non-failing public school or nonpublic school, or (2) 80% of the annual state cost of attendance for a public K-12 student during the applicable tax year. The student must transfer to a non-failing public school or nonpublic school in order for the parents to be eligible to claim an income tax credit.

Credit for individuals/married couples filing jointly and corporate taxpayers making contributions to Scholarship Granting Organizations (SGOs) that provide education scholarships to qualifying schools is equal to the total contribution to the scholarship organization up to 50% of the tax liability but limited to \$50,000 per individual taxpayer/couple. Tax credit claimed by a corporate taxpayer is equal to 100% of total contributions to the scholarship organization up to 50% of the tax liability; the cumulative amount of the tax credit for contributions to SGOs will not exceed \$30 million per calendar year. The tax credits for both individuals/married couples filing jointly and corporate taxpayers can be carried forward for three years.

### **Payment**

For tax years beginning on or after January 1, 2013, any Alabama income tax credit due a parent of a student enrolled in/assigned to attend a failing school will be issued upon his/her making an application as prescribed by the Department of Revenue. An application for the tax credit will be filed with the department within the time prescribed for filing petitions for refund.

501(c)(3) organizations wishing to become SGOs must apply to the Department of Revenue using a form available on the department's website. The department will make available an electronic system for donors to enter donations to SGOs made during the year. In order to receive a portion of the available \$30 million in scholarship tax credits for a given year, donors must enter the actual scholarship donations and identifying information of the SGO to which the donation was made. Credits will be assigned to donors on a first-come, first-served basis. The allocation of a portion of the available tax credit amount to the donor is

conditional, pending verification of the donation by the SGO within 30 days of receipt of the donation.

## **Distribution**

The Commissioner of Revenue will annually certify to the comptroller the amount of income tax credits due to parents, and the comptroller will transfer into the Failing Schools Income Tax Credit Account only the amount of sales tax revenues sufficient for the Department of Revenue to use to cover the income tax credits for the applicable tax year. The Commissioner of Revenue will annually distribute the funds in the account to the parents.

## **Alabama Uniform Natural Minerals Tax**

### **Authority**

Sections 40-13-50 through 40-13-61, Code of Alabama 1975.

### **Basis**

Severing natural minerals in any county of the state for sale and use as tangible personal property. The primary purpose of this levy is to compensate counties for use of roads and infrastructure.

### **Rate**

\$.10 per ton.

### **Exemption**

Lime and limestone used for agricultural purposes and pollution control/abatement; minerals used for certain manufacturing or processing purposes; and marble, iron ore, quartzite, coal, oil and natural gas; minerals that are sold to a purchaser for use outside the state provided such minerals are not transported on public roads in Alabama; materials severed by an operator or producer and moved from one place to another on the same site, or transported to another site owned by the same operator; severed materials used for fill; and chert. Beginning October 1, 2012, a producer who severs materials and sells it to the first purchaser without the materials being transported on a public road shall be exempt from tax, provided that the materials will later be processed into a finished aggregate or limestone product for resale. In this instance, the tax shall be levied on the finished aggregate or limestone product made from the exempt material and shall be remitted by the first purchaser. Additional exemptions effective October 1, 2012: Severed material that is wasted by any manufacturing process provided the material is not transported on a public road in this state and is not sold to another entity; and direct purchases by the federal government and state of Alabama, along with their agencies and political subdivisions, including municipalities, counties, and city and county school boards.

The tax is not operative in Coosa County. (See Local Solid Mineral Taxes.) Geneva, Lamar, Lee, and Wilcox counties elected to opt out, and may establish their own levies.

## **Payment**

Tax is collected at sale or delivery by producer from the purchaser; or, effective October 1, 2012, upon receipt and processing by the purchaser, and remitted to the Alabama Department of Revenue, Business and License Tax Division, Severance and License Section, not later than the 20th day of the month following the month of transaction.

## **Distribution**

To counties where material is severed.

# **Alcoholic Beverage Control Revenues**

## **Authority**

Sections 28-3-43, 28-3-183 through 28-3-205, and 28-7-16, Code of Alabama 1975.

## **Basis**

Sale of alcoholic beverages, also the license and filing fees required of distillers, manufacturers, wholesalers, and retailers.

## **Rate**

Beer - \$.05 per 12 fluid ounces or fraction thereof.

Local beer - \$.01625 per 4 fluid ounces or fraction thereof.

Liquors and fortified wines - 56% of cost marked up price.

Table wine containing not more than 16.5% alcohol by volume - \$.45 per liter (state - \$.38; local - \$.07).

Table wine containing more than 16.5% alcohol by volume - \$2.42 per liter.

Annual license and rates are based on activity and, in the case of some application fees, on population base.

Note: 4% sales tax also applies at time of consumer market purchase and 2% sales tax for the ABC store purchase.

## **Payment**

Paid to Alcoholic Beverage Control Board (ABC).

Beer excise taxes are paid by wholesaler based on receipts.

Taxes on liquor and wine sold through ABC stores are paid by consumer at time of purchase.

Taxes on table wines sold in retail establishments are paid by wholesaler and added to the retail price.

License and application fees paid annually by October 1.

Obtain forms from ABC Board.

# **Automotive Dismantler and Parts Recycler License**

## **Authority**

Sections 40-12-410 through 40-12-425, Code of Alabama 1975.

## **Basis**

Engaging in the business of purchasing and dismantling wrecked, abandoned, or repairable motor vehicles; selling motor vehicles as a unit at wholesale; selling usable parts; or selling the hulk of the motor vehicle after salvageable parts have been removed.

A person is presumed to be engaged in the dismantling and/or parts recycling business if he possesses ten or more inoperable vehicles for more than 30 days. Each person holding an automotive dismantler and parts recycler license, or their agents or employees, must have a buyer's identification card in order to purchase vehicles from salvage pools or salvage disposal sales.

## **Rate**

License \$225 annually.

Buyer's Identification Card \$10 annually. Limited to three per licensee per year.

## **Payment**

File application, provide applicable bond, and remit fee to the Alabama Department of Revenue, Motor Vehicle Division, by October 1. If renewing the license, payment is delinquent on November 1 and a penalty of 15 percent of the amount of the license is assessed.

## **Distribution**

General Fund.

# **Aviation Fuel Tax**

## **Authority**

Sections 40-17-325(a)(3), 40-17-326, and 40-17-360, Code of Alabama 1975.

## **Basis**

Fuel used to propel powered aircraft. Tax is imposed upon the withdrawal from the terminal, upon import, or when the product is blended.

## **Rate**

Aviation gasoline - \$.095 per gallon.

Jet fuel - \$.035 per gallon.

## **Exemptions/Refunds:**

Section 40-17-329 exempts the following:

- 1) Having first paid the tax owed under Section 40-17-325, an exporter shall have the right to apply to the department on a monthly basis for a refund of the taxes paid to this state on the gallons of motor fuel that are ultimately exported by the exporter. The department will require the exporter to provide proof of payment of the applicable destination state excise taxes before issuing a refund.
- 2) Having first paid the taxed owed under Section 40-17-325, a licensed aviation

fuel purchaser shall have the right to apply to the department on a monthly basis for a refund of the taxes paid to this state on the gallons of jet fuel sold to a certificated or licensed air carrier that purchases jet fuel within this state and uses the jet fuel to propel aircraft powered by jet or turbine engines operated in scheduled all-cargo operations being conducted on international flights or in international commerce.

- 3) Having first paid the tax to its vendor, the entities listed below shall have the right to apply to the department for a refund on a quarterly basis for any purchases of motor fuel. (Note: These entities that have a Motor Fuel Exemption License may purchase tax-free from a licensed distributor.)
  - a) The United States government or any agency thereof.
  - b) Any county governing body of this state.
  - c) Any incorporated municipal governing body of this state.
  - d) City and county boards of education of this state.
  - e) The Alabama Institute for Deaf and Blind, the Department of Youth Services school district, and private and church school systems as defined in Section 16-28-1, and which offer essentially the same curriculum as offered in grades K-12 in the public schools of this state.
- 4) Having first paid the tax, a licensed air carrier with a hub operation within this state shall have the right to apply to the department for a refund on a quarterly basis for any purchases of jet fuel used to propel aircraft.

## **Payment**

Paid by the 20th of the month following the month of transaction to the Alabama Department of Revenue, Business and License Tax Division, Motor Fuels Section. Tax is due on imports acquired at an out-of-state terminal from a supplier who has not pre-collected the tax, on or before the third business day following import using 3-Day Voucher.

## **Distribution**

Department of Transportation.

## **Business Privilege License**

### **Authority**

Sections 40-12-1 through 40-12-180, Code of Alabama 1975.

### **Basis**

Engaging in certain businesses, professions, or occupations within Alabama as specified in the Code of Alabama 1975.

### **Rate**

Rates vary, generally based on the population of the municipality in which the business is located. In some cases the license fee depends on the amount of capital invested; in others, the gross amount of orders or contracts accepted; or other conditions stipulated by the Code of Alabama 1975.

## Payment

No tax returns are filed.

Unless otherwise specified, privilege license fees are due and payable by October 1 and delinquent on November 1.

Licenses are issued by the county-issuing authority in the county in which the business, profession, or occupation is conducted.

## Other

Businesses, vocations, and occupations may also be subject to various additional county and municipal licensing requirements which vary by location. Municipal licenses are issued and administered by the municipalities or other designated agent.

## Distribution

50% – General Fund, unless otherwise stated.

50 % – County General Fund where collected.

## Business Privilege Tax

### Authority

Sections 40-14A-21 through 40-14A-29, Code of Alabama 1975.

### Basis

The tax is calculated on net worth plus additions, minus exclusions, times the apportionment factor, less the deductions, which equals taxable net worth.

### Rate

The rate is based on the ability to pay and is determined by the entity's federal taxable income in Alabama. The rate ranges from \$.25 to \$1.75 for each \$1,000 of net worth in Alabama.

If taxable income of the taxpayer is:

<u>At least</u>	<u>But Less Than</u>	<u>The Tax Rate Shall Be</u>
	\$1	\$0.25 per \$1,000
\$1	\$200,000	\$1.00 per \$1,000
\$200,000	\$500,000	\$1.25 per \$1,000
\$500,000	\$2,500,000	\$1.50 per \$1,000
\$2,500,000		\$1.75 per \$1,000

## Payment

The Business Privilege Tax accrues as of January 1 of every taxable year; or in the case of a taxpayer organized, incorporated, qualified, or registered during the year, or doing business in Alabama for the first time, as of the date the taxpayer qualifies to do business, or begins to do business, in Alabama.

Minimum privilege tax is \$100; plus the \$10 Secretary of State annual report fee

for corporations.

Maximum privilege tax is \$15,000 for all years after 2000, unless otherwise stated. The maximum privilege tax for financial institutions and insurance companies is \$3,000,000 for each tax year.

The maximum privilege tax for an electing Family Limited Liability Entity is \$500.

The Business Privilege Tax is filed on Form PPT for pass through entities and on Form CPT for all other entity types.

Payment is to be made to the Alabama Department of Revenue, Individual and Corporate Tax Division. Payment is due by the unextended due date of the entity's corresponding federal return, except for those filing as a financial institution or financial institution group. Calendar year C-corporations, payment would be due April 15. Calendar year S-Corporations, payment would be due March 15. Financial institutions and financial institution groups must remit payment by April 15.

Returns are due for each of these entities by the unextended due dates. However, federal extended due dates will be recognized for the filing of returns for all entities except for those filing as a financial institution or financial institution group. Financial institutions and financial institution groups should file an extended Business Privilege Tax return by the due date provided for filing their Financial Institution Excise Tax return (Form ET-1 or ET-1C), either July 15 or October 15. Payments and returns for disregarded entities are due not later than the time its owner is required to file.

The initial return, Form BPT-IN, and tax are due two and one-half months after organization, incorporation, registration, qualification, or beginning to do business, whichever occurs first.

## **Distribution**

A portion of the privilege tax will be distributed to each county and the remainder will be distributed to the General Fund.

## **Charter (Filing) Fee**

### **Authority**

Section 10A-1-4.31, Code of Alabama 1975.

### **Basis**

Persons incorporating or registering in this state for the purpose of conducting business.

### **Rate**

\$150 for domestic entity; \$100 for state of Alabama; \$50 for judge of probate.  
\$150 for foreign entity; \$150 for state of Alabama.

## **Payment**

Paid one time to the judge of probate of the county in which business is incorporated or to the Secretary of State. Separate checks should be prepared when appropriate: one payable to the state of Alabama covering all charges for the Secretary of State; one payable to the judge of probate for all charges for the judge of probate.

## **Distribution**

### **Domestic Entities:**

\$100 – Secretary of State Entity Fund 30%; General Fund 70%.

\$50 – Judge of probate of the county in which the business is incorporated.

### **Foreign Entities:**

\$150 – Secretary of State Entity Fund 30%; General Fund 70%.

## **Coal Severance Tax**

### **Authority**

Sections 40-13-1 through 40-13-10, 40-13-30 through 40-13-36, 40-13-80 through 40-13-83, Code of Alabama 1975.

### **Basis**

Severing coal within state.

### **Rate**

\$.135 per ton; levied under Section 40-13-2.

\$.20 per ton; levied under Section 40-13-31.

\$.025 per ton levied on underground mining.\* Expired on August 1, 2019

\$.05 per ton levied on surface mining.\* Expired on August 1, 2019

\*Levied on a maximum of 2 million tons. Expired on August 1, 2019.

### **Payment**

File with the Alabama Department of Revenue, Business and License Tax Division, Severance and License Section, within 20 days after the end of each calendar month for the previous month's operations.

### **Distribution**

Sections 40-13-5 and 40-13-6.

The \$.135 per ton levy is first obligated to the State Docks Bulk Handling Facility Trust Fund for the servicing of bonds issued for dock construction.

For the 2013-2014 fiscal year and for all fiscal years thereafter, monies remaining after payment of servicing the State Dock's bonds, or any anticipated deficiencies in operating the docks shall be distributed as follows:

\$300,000 - Alabama Mining Academy.

60% transferred by Department of Revenue to the general fund of the county of

severance based on the ratio of the \$.135 per ton coal severance tax collections from within the county to the total coal severance tax collections, except those sent to the Walker County Economic and Industrial Development Authority. Provided, however, the distribution to the Jefferson County General Fund shall be \$500,000.

In addition:

\$100,000	Community Development Foundation, Inc.
\$50,000	Marion County Community Development Association, Inc.
\$50,000	West Alabama Development Association of Fayette County
\$100,000	West Alabama Economic Development Association
\$100,000	Winston County General Fund
Remainder	General Fund

Section 40-13-32, Code of Alabama 1975.

The \$.20 per ton levy is distributed to the counties and municipalities where the coal is severed.

Section 40-13-82, Code of Alabama 1975.

Collections from the additional tax levies, which expired on August 1, 2019, were distributed to the Surface Mining Commission.

## **Compressed Natural Gas (CNG)/Liquefied Natural Gas (LNG)**

### **Authority**

Sections 40-17-168 through 40-17-168.19, Code of Alabama 1975.

### **Basis**

Effective October 1, 2018, all public sellers and fleet producers of CNG/LNG are required to collect and remit a per gasoline gallon equivalent (GGE) excise tax on CNG and a per diesel gallon equivalent (DGE) excise tax on LNG based upon product sold or disbursed for use in a vehicle designed to be operated on the public roads and highways.

Effective January 1, 2019, all personal producers of CNG must submit an annual application fee by January 20 each year based upon the date of purchase of the CNG powered vehicle(s) or the date of conversion of a vehicle to a CNG powered vehicle. The amount of the fee due is based upon the date of purchase of the vehicle or the date of conversion/installation and is as follows:

\$100	January 1 - June 30 (Rate for full year)
\$50	July 1 - September 30 (Reduced rate only for first year of purchase)
\$25	October 1 - December 31 (Reduced rate only for first year of purchase)

## **Rate**

\$.08 per gasoline gallon equivalent (GGE) excise tax on CNG and an \$.08 per diesel gallon equivalent (DGE) excise tax on LNG – effective October 1, 2018.

Effective October 1, 2023, the rate will increase to \$.13 per GGE or DGE.

Effective October 1, 2028, the rate on CNG will increase to the gasoline excise tax rate as prescribed by Section 40-17-325(a)(1), Code of Alabama 1975, per GGE and the rate on LNG will increase to the diesel fuel excise tax rate as prescribed by Section 40-17-325(a)(2), Code of Alabama 1975, per DGE.

## **Exemption**

A licensed public seller or licensed fleet producer may deduct the number of gallons of CNG or LNG sold or disbursed to the entities listed below provided that the exempt entity has a valid exempt entity license issued in accordance with Section 40-17-332(j).

- 1) The United States Government or any agency thereof.
- 2) County governing body in this state.
- 3) Governing body of any incorporated municipality in this state.
- 4) City and county boards of education in this state.
- 5) Alabama Institute for Deaf and Blind, Department of Youth Services school district, and private and church school systems as defined in Section 16-28-1, which offer essentially the same curriculum as offered in grades K -12 in the public schools of this state.

## **Payment**

File and remit to the Alabama Department of Revenue, Business and License Tax Division, Motor Fuels Section, by 20th of month following month of activity.

## **Distribution**

Net collections distributed to Department of Transportation.

## **Contractors Gross Receipts Tax**

### **Authority**

Section 40-23-50, Code of Alabama 1975.

### **Basis**

Engaging in the business of contracting to construct, reconstruct, or build any public highway, road, bridge, or street within the state.

### **Rate**

5% of gross receipts.

### **Payment**

File and remit tax by the 20th of each month with the Alabama Department of Revenue, Sales and Use Tax Division, for the previous month's receipts.

## **Distribution**

85% – Special Mental Health Fund.

15% – Pensions and Security Trust Fund.

## **Corporate Income Tax**

### **Authority**

Sections 40-18-1 through 40-18-59 and 40-18-160 through 40-18-176, Code of Alabama 1975. Sections 40-27-1 through 40-27-6, Code of Alabama 1975.

### **Basis**

Corporations – Net taxable income from business within the state.

For tax years beginning on or after January 1, 2011, Alabama income is determined by a four-factor apportionment formula (property, payroll, and twice the sales factor).

### **Constitutional Provisions**

Amendment No. 212 to the Constitution of Alabama of 1901 (proclaimed ratified December 18, 1963) increased the allowable maximum corporate income tax rate to 5%, with deduction allowed for all federal income taxes paid. Taxes due by foreign corporations are to be based on income derived from sources within Alabama.

Amendment No. 662 to the Constitution of Alabama of 1901 (proclaimed ratified June 19, 2000) increased the corporate income tax rate to 6.5% beginning in calendar year 2001.

### **Rate**

6.5% of annual net income with a deduction allowed for federal income tax paid or accrued.

### **Payment**

For corporations on a calendar year, the due date for the return and payment is the 15th day of the fourth month after year-end.

For corporations on a fiscal year other than a calendar year and June 30 year end, the due date for the return and payment is the 15th day of the fourth month following the end of the corporation's fiscal year.

For corporations with a fiscal year ending on June 30, the due date for the return and payment is the 15th day of the third month following the end of the fiscal year. Federal extended due dates will be recognized for the return, but not for any payment due.

Corporations with an anticipated tax liability of \$500 or more shall file and pay estimates on a quarterly basis by April 15, or by the 15th day of the fourth month of the fiscal year. The second, third, and fourth installments are due and payable on the 15th day of the sixth, ninth, and twelfth months of the fiscal year.

Quarterly estimates and payments shall equal at least 100% of the estimated tax. Corporations file Form 20C with the Alabama Department of Revenue, Individual and Corporate Tax Division.

S corporations: Any corporation (except financial institutions) filing as a federal S corporation must file as an Alabama S corporation. Use Form 20S. Return and any tax due should be remitted on or before the 15th day of third month following close of accounting period. Any S corporation with nonresident shareholders who have not executed a Nonresident Agreement must pay the nonresident shareholders' tax. Use Form PTE-C. Form and any tax due should be remitted on or before the 15th day of the third month following close of S corporation accounting period. File with the Alabama Department of Revenue, Individual and Corporate Tax Division.

## **Distribution**

Education Trust Fund.

## **Deeds and Assignments**

### **Authority**

Sections 40-10-1 through 40-10-143, Code of Alabama 1975.  
(Sale of real property because of property tax delinquency.)

### **Basis**

Voluntary payment by interested parties upon their purchase of the state's (which included the delinquent tax of all jurisdictions, plus all fees, interest, etc.) interest in real property which was acquired pursuant to judicial sale for non-payment of property tax.

Rate sale amount is the accumulated delinquent tax (on the same basis as general property taxes), fees, and costs incurred in the sale to the state and interest on the taxes, fees, and costs at 12% per year from the date of delinquency.

### **Payment**

Applications to purchase the state's interest in tax-delinquent property are accepted by the State Land Agent in the Property Tax Division. The applicant is then quoted the amount necessary to acquire the state's interest. Upon remittance of the appropriate amount, the purchaser will either be assigned the Certificate of Sale held by the state or be given a tax deed to the property, depending on whether the administrative redemption period has expired.

### **Distribution**

All property taxing jurisdictions receive their proportional share of the taxes and interest on the taxes. Fees, and interest on the fees, are received by the official who levied the fee. Costs, and interest on the costs, are deposited in the General Fund.

# **Dry Cleaning Environmental Response Trust Fund Fee**

## **Authority**

Section 22-30D-1 through 22-30D-12, Code of Alabama 1975.

## **Basis**

Voluntary payment by dry cleaning owners or operators, wholesale distributors selling dry cleaning agents, owners of abandoned dry cleaning facilities, and impacted third parties to a trust fund benefiting a dry cleaning industry self-insurance program to cover the costs of investigating, assessing, and re-mediating dry cleaning contamination.

## **Rate**

Dry cleaning owners or operators who establish a new dry cleaning facility shall pay a one-time registration fee equal to \$5,000 for the first year of operation, and for the second year of operation, shall pay an annual registration fee equal to the greater of \$5,000 or 2% of the gross receipts earned the prior year. For each year thereafter, the new owner or operator shall pay an annual registration fee equal to 2% of the gross receipts earned in the state during the prior calendar year, not to exceed a total of \$25,000 per year.

Dry cleaning owners or operators, who acquire an existing dry cleaning facility, shall pay an annual registration fee equal to 2% of the gross receipts earned in the state by the prior owner or operator during the prior calendar year, not to exceed a total of \$25,000 per year.

Wholesale distributors, annual registration fee of \$5,000.

Abandoned dry cleaning facility owners and impacted third parties, registration fee equal to \$5,000 per year per site.

## **Payment**

Dry cleaning owners or operators -- file return on or before April 19, annually, to the Alabama Department of Revenue, Sales and Use Tax Division. Payments due in one-fourth increments on April 1, July 1, October 1, and January 1, becoming delinquent on the 20th day of each said month.

Wholesale distributors -- return and annual fee due April 1, becoming delinquent on the 20th day of April.

Abandoned dry cleaning facility owners and impacted third parties April 1, becoming delinquent on the 20th day of April.

## **Distribution**

Alabama Dry Cleaning Environmental Response Trust Fund.

## **Estate Tax**

Estate Tax in Alabama is linked, constitutionally, to the federal estate tax. The federal Economic Growth and Tax Relief Reconciliation Act of 2001 mandated

the phase out of the “Credit for State Death Taxes” on federal Estate Tax Return (Form 706). This is the amount that Alabama collected as Estate Tax. Because of this mandated phase out, decedents who die after December 31, 2004 have no Estate Tax liability to the state of Alabama and are not required to file an Estate Tax Return with the state of Alabama.

## **Fiduciary Income Tax**

### **Authority**

Section 40-18-25, Code of Alabama 1975.

### **Basis**

Taxable net income earned from all sources by resident estates or trusts. Income with business situs in Alabama or from real property located in Alabama by non-resident trusts and estates.

### **Rate**

When adjusted gross income is \$1,500 or more; 2% on the first \$500 of taxable income, 4% on the next \$2,500, and 5% on all over \$3,000.

### **Payment**

Returns filed with Alabama Department of Revenue, Individual and Corporate Tax Division, by April 15, except when filed on fiscal year basis, which are due 105 days after the close of the fiscal year. Estimated payments are not required by law.

### **Exemption**

Exemption credit of \$1,500 on net income.

### **Distribution**

Education Trust Fund

## **Financial Institutions’ Excise Tax**

### **Authority**

Sections 40-16-1 through 40-16-8, Code of Alabama 1975.

### **Basis**

Excise tax measured by net income of bank, banking association, trust company, credit card company, building and loan association, industrial or other loan company doing business in Alabama. For tax years beginning after December 31, 1999, multi-state corporations shall allocate and apportion income to the state of Alabama.

### **Rate**

6.5% of taxable income.

## Payment

File Form ET-1 with the Alabama Department of Revenue, Individual and Corporate Tax Section, by April 15.

## Distribution

50% – General Fund

16.7% – Counties

33.3% – Municipalities

Beginning with the 2019 municipal financial institution excise tax distribution, each municipality shall receive a percentage share of the total municipal financial institution excise tax revenue equal to its average percentage share of the total municipal financial institution revenue distribution over the five years ending in 2018.

The first twenty percent (20%) of total county financial institution excise tax revenue shall be distributed equally among all counties. The remaining eighty percent (80%) county financial institution excise tax revenue shall be distributed among the counties based on each county's share of total Alabama population as determined in the most recent federal census prior to the distribution.

## Forest Products' Severance Tax

### Authority

Sections 9-13-80 through 9-13-110, Code of Alabama 1975.

### Basis

Owning timber prior to severance and severing timber or other forest products for sale, profit, or commercial use.

### Rate

Effective July 1, 2017

Pine Logs received by a concentration yard, manufacturer, or processor	\$.10/ton
Pine Logs exported out-of-state	\$.10/ton
Logs-All Other Species received by a concentration yard, manufacturer, or processor	\$.065/ton
Logs-All Other Species exported out-of-state	\$.065/ton
Pulpwood received by a concentration yard, manufacturer, or processor	\$.10/ton
Pulpwood exported out-of-state	\$.10/ton
Stump wood received by a manufacturer	\$.125/ton
Stump wood exported out-of-state	\$.125/ton
Poles/Pilings received by a concentration yard or manufacturer	\$.205/ton
Poles/Pilings exported out-of-state	\$.205/ton

Inwoods Pulpwood Chips received by a concentration yard or manufacturer	\$.10/ton
Inwoods Pulpwood Chips exported out-of-state	\$.10/ton

There is also a privilege tax of 50% of the severance tax above, against manufacturers using forest products in the manufacturing process. This tax applies to manufacturers located only within this state.

**Payment**

File with the Alabama Department of Revenue, Business and License Tax Division, Severance and License Section, within 30 days after the expiration of each quarterly period during the calendar year.

**Distribution**

State Forestry Commission – Special State Forestry Fund.

**Freight Line and Equipment Tax**

**Authority**

Section 40-21-52, Code of Alabama 1975, as limited by the Federal Railroad Revitalization and Regulatory Reform Act.

**Basis**

Reasonable value (allocated on a mileage basis) of private railroad cars operated, rented, or leased in this state for the transportation of freight.

**Rate**

3.5% of 30% of the market value of the number of cars within the state during the preceding fiscal year.

**Payment**

File returns with the Alabama Department of Revenue, Property Tax Division, Utilities Section, using the My Alabama Taxes (MAT) system by March 1. Tax liability established by the Property Tax Division and payable within 30 days of prescribed date, unless appealed by taxpayer.

**Distribution**

General Fund.

**Gasoline and Diesel Fuel Taxes**

**Authority**

Sections 40-17-320 through 40-17-363, Code of Alabama 1975 and Act 2019-2 – Rebuild Alabama Act.

**Basis**

Gasoline and diesel fuel sold at the terminal rack, imported into Alabama, or

blended with a motor fuel product.

## **Rate**

**Gasoline:** \$.24 per gallon effective September 1, 2019, Section 40-17-325(a)(1) and Act 2019-2 (comprised of \$.07, \$.05, \$.06 and \$.06 levies).

**Diesel Fuel:** \$.25 per gallon effective September 1, 2019, Section 40-17-325(a)(2) and Act 2019-2 (comprised of \$.13, \$.06, and \$.06 levies).

## **Exemption**

Section 40-17-329 exempts the following:

- 1) All motor fuel exported from this state for which proof of export is available in the form of a terminal issued destination state shipping document that is (a) exported by a supplier who is licensed in the destination state or (b) is sold by a supplier to a licensed exporter for immediate export to a state for which the applicable destination state motor fuel excise tax has been collected by the supplier who is licensed to remit the tax to the destination state. This exemption shall not apply to any motor fuel which is transported and delivered outside this state in the motor fuel supply tank of a highway vehicle.
- 2) All K-1 Kerosene or aviation jet fuel that is produced at a refinery in this state and is either exported from this state directly by the operator of that refinery or is sold for immediate export by the operator to a licensed exporter. In either case proof of export is to be available in the form of a terminal destination state shipping document and in addition all relevant sales documents are to reference the product known as “K-1 Kerosene” or “aviation jet fuel” as applicable.
- 3) All sales of dyed diesel fuel.
- 4) Gasoline blendstocks or cellulosic biofuel when sold to (a) a licensed supplier or (b) a person who will not be using the blendstocks or cellulosic biofuel in the manufacture of gasoline or as a motor fuel, as evidenced by the exemption certificate prescribed under regulations promulgated under Section 4081, Title 26 of the United States Code.
- 5) All motor fuel sold by a licensed supplier or licensed permissive supplier to an exempt agency electing to be licensed under Section 40-17-332.
- 6) Motor fuel that is delivered by a licensed supplier from one terminal to another terminal when ownership in the motor fuel has not changed, or by a licensed supplier from a terminal to a refinery operated by the licensed supplier.
- 7) Having first paid the tax owed under Section 40-17-325, a licensed aviation fuel purchaser shall have the right to apply to the department on a monthly basis for a refund of the taxes paid to the state of Alabama on the gallons of jet fuel sold to a certificated or licensed air carrier that purchases jet fuel within Alabama and uses the jet fuel to propel aircraft powered by jet or turbine engines operated in scheduled all-cargo operations being conducted on international flights or in international commerce.

- 8) Having first paid the tax to its vendor, the entities listed below shall have the right to apply to the department for a refund on a quarterly basis for any purchases of motor fuel. (Note: These entities that have a Motor Fuel Exemption License may purchase tax-free from a licensed distributor or through a credit card issuer.)
  - a) The United States government or any agency thereof.
  - b) Any county governing body of this state.
  - c) Any incorporated municipal governing body of this state.
  - d) City and county boards of education of this state.
  - e) The Alabama Institute for Deaf and Blind, the Department of Youth Services' school district, and private and church school systems as defined in Section 16-28-1, and which offer essentially the same curriculum as offered in grades K-12 in the public schools of this state.
- 9) Having first paid the tax owed under Section 40-17-325, an exporter shall have the right to apply to the department on a monthly basis for a refund of the taxes paid to this state on the gallons of motor fuel that are ultimately exported by the exporter. The department will require the exporter to provide proof of payment of the applicable destination state excise taxes before issuing a refund.

Certain counties and cities levy additional gasoline and diesel fuels taxes ranging from \$.005 to \$.07 per gallon.

## **Payment**

File and remit by the 20th day of the month following the month of sale or other activity to the Alabama Department of Revenue, Business and License Tax Division, Motor Fuels Section. Tax is due on imports acquired at an out-of-state terminal from a supplier who has not pre-collected the tax, on or before the third business day following import using 3-Day Voucher.

## **Distribution**

### **Gasoline:**

1.23% of the \$.07 and \$0.05 levies, hereinafter referred to as the \$.12 levy, go to the Conservation Department.

35% of 1% of the \$.12 levy is credited to the Water Safety Fund and the Seafood Fund.

70% of 1% of the \$.12 levy is credited to the Game and Fish Fund.

18% of 1% of the \$.12 levy is credited to the Water Safety Fund and the Seafood Fund.

60% of the \$.05 supplemental tax goes to the State Road and Bridge Fund.

Remaining 40% is distributed according to the 45%/55% pattern below.

The balance of the \$.12 levy and 2/3 of the \$.06 gasoline levy are distributed as follows:

- 1) 45% to the State Road and Bridge Fund. The distributions to the Game and Fish Fund (70%) and the distributions to the Water Safety Fund and the

Seafood Fund (18%) are deducted from the State Road and Bridge Fund.

- 2) 55% to be shared by the counties and their municipalities as follows:
  - a) 25% of the net tax proceeds are distributed equally to the 67 counties;
  - b) 30% of the net tax proceeds are allocated to the 67 counties based on population.
    1. 10% of the counties' share received shall be allocated to each municipality therein, based on a population ratio.
    2. Remaining portion to the county.

1/3 of the \$.06 gasoline levy is distributed to the Inspection Fee Fund which is further distributed by the State Treasurer as follows:

- 1) 5% or no less than \$175,000, whichever is greater, to the Agricultural Fund.
  - a) 13.87% of balance of proceeds distributed equally to the counties.
  - b) \$408,981 distributed to Department of Transportation Public Road and Bridge Fund.
  - c) 2.76% of balance of proceeds allocated among the incorporated municipalities.
  - d) 5% of balance of proceeds after distributions to (a) and (c) is distributed to Agricultural Fund.
  - e) 2 1/2% of balance of proceeds after (a), (b), (c), and (d) or no less than \$87,500, whichever is greater, is distributed to the Department of Revenue.
  - f) Balance after (a), (b), (c), (d), and (e) is distributed to the Department of Transportation Public Road and Bridge Fund, as provided in Section 8-17-91, Code of Alabama, 1975.

Act 2019-2 – Rebuild Alabama Act - \$.06 levy effective September 1, 2019

0.25% Alabama Department of Revenue (Administrative Fee)

\$750,000 Alabama Hwy Finance Corporation (State Docks)

66.67% Department of Transportation (Rebuild Alabama Fund)

25% Counties

45% Counties equally

55% Counties population ratio

8.33% Cities

25% Cities equally

75% Cities population ratio

### **Motor Fuels:**

The \$.13 and \$.06 levies are distributed as follows:

- 1) \$.13 to Department of Transportation
- 2) \$.06 as follows:
  - a) .93% of net collections is allocated among the incorporated municipalities of the state and distributed as provided in Section 8-17-91(a)(2) c.
  - b) 4.69% distributed equally among each of the 67 counties of the state monthly.
  - c) Balance paid to the State Treasury to be used for highway purposes by the State Department of Transportation.

Act 2019-2 – Rebuild Alabama Act - \$.06 Levy Effective September 1, 2019  
0.25% Alabama Department of Revenue (Administrative Fee)  
\$230,000 Alabama Hwy Finance Corporation (State Docks)  
66.67% Department of Transportation (Rebuild Alabama Fund)  
25% Counties  
    45% Counties equally  
    55% Counties population ratio  
8.33% Cities  
    25% Cities equally  
    75% Cities population ratio

## **Hazardous Waste Fee**

### **Authority**

Sections 22-30B-1 through 22-30B-20, Code of Alabama 1975.

### **Basis**

Fee on operators of commercial sites for the disposal of hazardous waste or hazardous substance for each ton of waste or substance received for disposal at such sites.

Rates at the commercial facility located at Emelle, Alabama:

\$5.50 per ton: waste listed under Section 3001 of the Resource Conservation and Recovery Act of 1976 (RCRA) as amended and “PCB” waste.

\$5.50 per ton: all other waste.

\$1 per ton: additional fee on all wastes or substances.

In addition to the above fees, Sumter County also levies \$2 per drum or \$5 per ton on waste disposed of at the Emelle disposal facility.

### **Payment**

**State Fee** – File and remit to the Alabama Department of Revenue, Business and License Tax Division, Severance and License Section. Payment is due by the 30th of the month following receipt of hazardous waste or substance for disposal.

**County Fee** – File and/or remit the county fees to the county in which the site is located.

### **Distribution**

\$5.50 per ton RCRA/PCB base fee - Both \$5.50 rates will be used to meet the annual guarantee amount of \$4.2 million to the county. After the \$4.2 million is met, any remaining amounts are to be split 50/50 between the General Fund and the county.

\$5.50 per ton all other waste - Both \$5.50 rates will be used to meet the annual guarantee amount of \$4.2 million to the county. After the \$4.2 million is met, any remaining amounts are to be split 50/50 between the General Fund and the county.

\$1 per ton - All to Alabama Hazardous Substance Cleanup Fund.

# **Hospital Assessment for Medicaid Tax**

## **Authority**

Sections 40-26B-70 through 40-26B-88, Code of Alabama 1975.

## **Basis**

Privately operated hospitals in the state of Alabama that are funded through the Alabama Medicaid program are taxed according to their net patient revenue. The assessment is a cost of doing business as a privately-operated hospital in the state of Alabama.

## **Rate**

5.5% of the net patient revenue in fiscal year 2014. Effective October 1, 2020, the rate increases to 6.0% of the net patient revenue in fiscal year 2017.

## **Payment**

Assessment amounts are to be paid in equal quarterly installments by the 15th working day of each quarter of the state's fiscal year. This program was extended by Act No. 2018-542 through fiscal year 2022. Remit fees to the Alabama Department of Revenue, Sales and Use Tax Division through Alabama Interactive.

## **Distribution**

Alabama Medicaid Agency.

# **Hydroelectric KWH Tax**

## **Authority**

Section 40-21-56, Code of Alabama 1975.

## **Basis**

Privilege tax on the manufacture and sale of hydroelectric power within Alabama.

## **Rate**

2/5 mill on each kilowatt hour of hydroelectric power manufactured and sold.

## **Payment**

Pay by September 25 on power sold during prior calendar year. File Form FT: 5-4 with the Alabama Department of Revenue, Sales and Use Tax Division.

## **Distribution**

58% – Special Mental Health Fund.

42% – Education Trust Fund.

# **Illegal Drug Tax**

## **Authority**

Sections 40-17A-1 through 40-17A-16, Code of Alabama 1975.

## **Basis**

Excise tax on illegal possession, distribution, sales, use, and other transactions involving certain drugs or controlled substances.

## **Rate**

### Cost Per Stamp

Grams	Marijuana	Controlled Substance by Weight
1	\$ 3.50	\$ 200
5	\$17.50	\$1,000
10	\$35.00	\$2,000
20	\$70.00	\$4,000

### Cost Per Stamp

Dosage Units	Controlled Substance Not by Weight
50	\$ 2,000
100	\$ 4,000
500	\$20,000
1,000	\$40,000

## **Payment**

Forms for the purchase of stamps may be obtained from any Alabama Department of Revenue Taxpayer Service Center.

Stamps may be obtained from the Investigations Division located in Montgomery.

### Mail orders:

R.I.D.S.

2545 Taylor Road

Montgomery, AL 36117

## **Distribution**

General Fund

## **Income Tax Withholding**

### **Authority**

Sections 40-18-70 through 40-18-91, Code of Alabama 1975.

This is a component of Individual Income Tax.

### **Basis**

Wages as defined under laws of the United States in effect July 1, 1982, reduced by optional standard deduction provided by Section 40-18-15, Code of Alabama 1975, federal income tax liability, and personal and dependent exemption granted under Section 40-18-19.

## **Rate**

Persons claiming single or zero exemption: 2% on first \$500 of taxable wages, 4% on next \$2,500, and 5% on all over \$3,000.

Persons claiming married exemption: 2% on first \$1,000 of taxable wages, 4% on next \$5,000, and 5% on all over \$6,000.

## **Payment**

All employers file Form A-1 by the last day of month following close of each quarter.

Employers who withhold \$1,000 or more during first or second months of quarter should file Form A-6 by the 15th of the month following the month in which \$1,000 or more is withheld with the Alabama Department of Revenue, Individual and Corporate Tax Division.

## **Distribution**

See Individual Income Tax.

# **Individual Income Tax**

## **Authority**

Sections 40-18-1 through 40-18-30, and 40-18-40 through 40-18-59, Code of Alabama 1975.

## **Basis**

Taxable net income earned from all sources by residents and that earned from Alabama sources by non-residents.

## **Constitutional Provisions**

Amendment No. 25 to the Constitution of Alabama of 1901 (proclaimed ratified August 2, 1933) authorized the legislature to levy and collect taxes on taxable, individual income at a rate not to exceed 5%.

It further provides for minimum personal exemptions of \$1,500 for single taxpayers, \$3,000 for joint filers; and, a minimum dependent exemption of \$300 for each dependent.

Amendment No. 61 to the Constitution of Alabama of 1901 (proclaimed ratified September 11, 1947) provided for distribution of income tax receipts to (1) replace revenue lost to the funds affected by the state homestead exemption; and (2) the Education Trust Fund to be used only for the payment of public school teachers' salaries.

Amendment No. 225 to the Constitution of Alabama of 1901 (proclaimed ratified December 13, 1965) provided deduction for federal income taxes paid by individual taxpayers.

## **Rate**

Single persons with adjusted gross income of \$4,000, head of family with adjusted gross income of \$7,700, and married persons filing separate returns with adjusted gross income of \$5,250 or more; 2% on first \$500 of taxable income, 4% on next \$2,500, and 5% on all over \$3,000.

Married persons filing a joint return with adjusted gross income of \$10,500 or more; 2% on first \$1,000, 4% on next \$5,000, and 5% on all over \$6,000.

## **Payment**

Taxpayers that reasonably expect to owe \$500 or more shall file and pay estimated tax quarterly and must remit one-fourth of the estimated amount due on the 15th of April, June, September, and January.

Returns filed with Alabama Department of Revenue, Individual and Corporate Tax Division, by April 15, except if fiscal year basis, which is due 105 days after close of fiscal year.

Individuals who have a balance due after credit is allowed for payments on an estimate and tax withheld must remit payment when returns are filed.

## **Deduction**

The standard deduction is based on the filing status and the adjusted gross income.

<b>Head of Family</b>			<b>Single</b>		
<b><u>Alabama AGI</u></b>		<b><u>Standard Deduction</u></b>	<b><u>Alabama AGI</u></b>		<b><u>Standard Deduction</u></b>
0	20,499	4,700	0	20,499	2,500
20,500	20,999	4,565	20,500	20,999	2,475
21,000	21,499	4,430	21,000	21,499	2,450
21,500	21,999	4,295	21,500	21,999	2,425
22,000	22,499	4,160	22,000	22,499	2,400
22,500	22,999	4,025	22,500	22,999	2,375
23,000	23,499	3,890	23,000	23,499	2,350
23,500	23,999	3,755	23,500	23,999	2,325
24,000	24,499	3,620	24,000	24,499	2,300
24,500	24,999	3,485	24,500	24,999	2,275
25,000	25,499	3,350	25,000	25,499	2,250
25,500	25,999	3,215	25,500	25,999	2,225
26,000	26,499	3,080	26,000	26,499	2,200
26,500	26,999	2,945	26,500	26,999	2,175
27,000	27,499	2,810	27,000	27,499	2,150
27,500	27,999	2,675	27,500	27,999	2,125
28,000	28,499	2,540	28,000	28,499	2,100
28,500	28,999	2,405	28,500	28,999	2,075
29,000	29,499	2,270	29,000	29,499	2,050
29,500	29,999	2,135	29,500	29,999	2,025
30,000 and over		2,000	30,000 and over		2,000

**Married Filing Joint****Married Filing Separate**

<u>Alabama AGI</u>		<u>Standard Deduction</u>	<u>Alabama AGI</u>		<u>Standard Deduction</u>
0	20,499	7,500	0	10,249	3,750
20,500	20,999	7,325	10,250	10,499	3,662
21,000	21,499	7,150	10,500	10,749	3,574
21,500	21,999	6,975	10,750	10,999	3,486
22,000	22,499	6,800	11,000	11,249	3,398
22,500	22,999	6,625	11,250	11,499	3,310
23,000	23,499	6,450	11,500	11,749	3,222
23,500	23,999	6,275	11,750	11,999	3,134
24,000	24,499	6,100	12,000	12,249	3,046
24,500	24,999	5,925	12,250	12,499	2,958
25,000	25,499	5,750	12,500	12,749	2,870
25,500	25,999	5,575	12,750	12,999	2,782
<u>Alabama AGI</u>		<u>Standard Deduction</u>	<u>Alabama AGI</u>		<u>Standard Deduction</u>
26,000	26,499	5,400	13,000	13,249	2,694
26,500	26,999	5,225	13,250	13,499	2,606
27,000	27,499	5,050	13,500	13,749	2,518
27,500	27,999	4,875	13,750	13,999	2,430
28,000	28,499	4,700	14,000	14,249	2,342
28,500	28,999	4,525	14,250	14,499	2,254
29,000	29,499	4,350	14,500	14,749	2,166
29,500	29,999	4,175	14,750	14,999	2,078
30,000 and over		4,000	15,000 and over		2,000

**Exemption**

Single or married person filing a separate return – \$1,500.

Married persons filing a joint return and head of family – \$3,000.

Dependents – \$1,000 each for adjusted gross income \$20,000 and under, \$500 each if adjusted gross is \$20,001 but under \$100,000 and \$300 each if adjusted gross income is over \$100,000.

**Distribution**

Replaces state property tax lost due to the homestead exemption; remainder to Education Trust Fund.

# Inspection Fee

## Authority

Sections 8-17-80 through 8-17-102, Code of Alabama 1975.

## Basis

First sale or import of dyed diesel fuel, dyed kerosene, or lubricating oil in Alabama. Gasoline or undyed diesel sold by a supplier or permissive supplier at the rack to a licensed exempt entity other than the federal government, or dyed diesel or dyed kerosene sold to an importer that does not have a valid inspection fee permit.

## Rate

Section 8-17-87

Dyed diesel fuel - \$.02 per gallon.

Dyed kerosene - \$.01 per gallon.

Lubricating oil - \$.15 per gallon.

Gasoline or undyed diesel fuel sold by a supplier at the rack to a licensed exempt entity other than the federal government - \$.02 per gallon.

Dyed diesel fuel or dyed kerosene used to operate maritime vessels, tractors for agricultural purposes, or railroad locomotives, or used in the treatment or preservation of wood products - \$.00025 per gallon.

## Exemption

Section 8-17-87

Aviation gas and jet fuel

Section 8-17-99

Dyed Diesel Fuel or Dyed Kerosene

Federal Government

Exports by bonded distributor

Sales to other bonded distributors

Sales for use in turbines or steam boilers

Lubricating Oil

Federal Government

Exports by bonded distributor

Sales to other bonded distributors

## Distribution

Distributed to the Inspection Fee Fund which is further distributed by the State Treasurer as follows:

5% or no less than \$175,000, whichever is greater, to the Agricultural Fund.

- a) 13.87% of balance of proceeds distributed equally to the counties.
- b) \$408,981 distributed to Department of Transportation Public Road and Bridge Fund.
- c) 2.76% of balance of proceeds allocated among the incorporated municipalities.
- d) 5% of balance of proceeds after distributions to (a) and (c) is distributed to

Agricultural Fund.

- e) 2 1/2% of balance of proceeds after (a), (b), (c), and (d) or no less than \$87,500, whichever is greater, is distributed to the Department of Revenue.
- f) Balance after (a), (b), (c), (d), and (e) is distributed to the Department of Transportation Public Road and Bridge Fund, as provided in Section 8-17-91.

## **International Fuel Tax Agreement (IFTA)**

### **Authority**

Sections 40-17-150 and 40-17-270 through 40-17-275, Code of Alabama 1975.

### **Basis**

Motor carriers operating in interstate commerce with a qualified motor vehicle. A qualified motor vehicle is one which has two axles and a gross vehicle weight or registered gross vehicle weight exceeding 26,000 pounds, has three or more axles regardless of weight, and is used in combination, when the weight of the combination exceeds 26,000 pounds gross vehicle or registered gross vehicle weight; shall be subject to this tax. Motor carriers with motor vehicles which are operated or caused to be operated wholly within Alabama are exempt from this tax.

### **Rate**

Any motor carrier meeting the above requirements shall pay an annual fee per vehicle to obtain an IFTA license and identification decals. The fee for the decals is \$17.00 per set.

Excise tax upon motor fuels used in the operation of a motor carrier in Alabama shall be at the same rate per gallon as provided in Section 40-17-325.

### **Payment**

Every motor carrier must electronically file IFTA quarterly tax returns with the Alabama Department of Revenue, Motor Vehicle Division, before the last day of April, July, October, and January. Payments of \$750 or more must be remitted electronically.

### **Distribution**

That portion of revenues attributable to gasoline taxes shall be distributed in the manner prescribed for gasoline taxes levied under Section 40-17-359.

That portion of revenues attributable to motor fuel (diesel) taxes shall be distributed in the manner prescribed for motor fuel (diesel) taxes levied under Section 40-17-361.

(See Gasoline and Diesel Fuel Taxes)

## **International Registration Plan (IRP)**

### **Authority**

Section 32-6-56, Code of Alabama 1975.

## **Basis**

Motor carriers operating in interstate commerce with a qualified motor vehicle. A qualified motor vehicle is one which has two axles and a gross vehicle weight or registered gross vehicle weight exceeding 26,000 pounds; or has three or more axles regardless of weight; or is used in combination, when the weight of the combination exceeds 26,000 pounds gross vehicle or registered gross vehicle weight. Registrants are issued an apportioned license plate and a cab card (registration).

## **Rate**

Registration fees are dependent on mileage traveled in IRP member jurisdictions, the fee structure of the member jurisdictions and the number of months the vehicle(s) is to be registered. Alabama fees are apportioned based on the fee schedule provided in Section 40-12-248.

## **Payment**

Registrations are renewed on a staggered basis from January through November through the Alabama Department of Revenue, Motor Vehicle Division. Payments of \$750 or more must be remitted electronically.

## **Distribution**

Base amount:

72% – Road and Bridge Fund

21% – city or county of residence

7% – counties and cities

Additional amount:

64.75% – Road and Bridge Fund

35.25% – counties

## **Local Solid Minerals Taxes**

### **Authority**

Coosa County - Section 45-19-244.01, Code of Alabama 1975 and Act 2019-231.

Jackson County - Section 45-36-246, Code of Alabama 1975.

Marshall County - Title 45, Chapter 48, Article 24, Code of Alabama 1975.

### **Basis**

Coosa County levies a tax on sand, clay, silt, loam, dirt, gravel, rock, sand-gravel, and sand-clay and per Act 2019-231, effective May 23, 2019, a \$5 per ton tax on graphite. Jackson and Marshall Counties levy a tax on coal severed within their counties.

### **Rate**

\$.25 per ton (Coosa County).

\$5 per ton (Coosa County).

\$.20 per ton (Jackson and Marshall Counties).

## **Payment**

File with the Alabama Department of Revenue, Business and License Tax Division, Severance and License Section, within 20 days after the end of each calendar month for the previous month's operations.

## **Lubricating Oils Tax**

### **Authority**

Sections 40-17-170 through 40-17-186, 40-17-220 through 40-17-223, and 40-17-225, Code of Alabama 1975.

### **Basis**

Selling, distributing, or withdrawing from storage in Alabama, for any use, lubricating oils or greases. (Does not include products commercially known as "fuel oils" or "crude oil.")

### **Rate**

\$.02 per gallon levied under Section 40-17-171.

\$.04 per gallon levied under Section 40-17-220.

\$.06 per gallon total.

(Eight pounds of grease equals one gallon.)

### **Exemption**

The United States Government, governing bodies of counties and incorporated municipalities, city and county boards of education, the Alabama Institute for Deaf and Blind, the Department of Youth Services school district, and private and church schools as defined in Section 16-28-1 are exempt from the \$.02 per gallon tax levied under Section 40-17-171.

Governing bodies of counties and incorporated municipalities, city and county boards of education, the United States Government, sales for use in off-road vehicles, aircraft, ships, vessels, barges, railroad locomotives, and railroad equipment, private and church school systems as defined in Section 16-28-1, Alabama Institute for Deaf and Blind, Department of Youth Services, and lubricating products sold for agricultural purposes are specifically exempt from the \$.04 per gallon tax levied under Section 40-17-220.

### **Payment**

File and remit to the Alabama Department of Revenue, Business and License Tax Division, Motor Fuels Section, by the 20th of the month following the month of transaction.

### **Distribution**

\$ 02 revenues – General Fund.

\$.04 revenues:

45% – State Road and Bridge Fund.

55% – To be shared by the counties and their municipalities as follows:

- a) 25% of the net tax is distributed equally to the 67 counties.
- b) 30% of the net tax is allocated to the 67 counties based on population.
  - 1) 10% of county's share received shall be allocated to each municipality therein, based on a population ratio.
  - 2) Remaining portion to the county.

## **Mandatory Liability Insurance (MLI)**

### **Authority**

Sections 32-7A-1 through 32-7A-26 and Sections 32-7B-1 through 32-7B-7, Code of Alabama 1975.

### **Basis**

No person shall operate, register, or maintain registration of, and no owner shall permit another person to operate, register, or maintain registration of, a motor vehicle designed to be used on a public highway unless the motor vehicle is covered by a liability insurance policy, commercial automobile liability insurance policy, motor vehicle liability bond, or deposit of cash. The insurance policy must provide a minimum of \$25,000 for bodily injury/death liability for one person in an accident, \$50,000 for all injuries/deaths in an accident, and \$25,000 for property damage in an accident in accordance with Section 32-7-6, Code of Alabama 1975. The policy must be an Alabama policy issued by an insurance company qualified to issue motor vehicle liability insurance in Alabama.

### **Rate**

If it is determined that a vehicle was not insured in accordance with the MLI law, the department will suspend the motor vehicle registration. The registration reinstatement fee will be \$200 for the first suspension, and the owner will be required to provide proof of current liability insurance. For subsequent registration reinstatements, the fee will be \$400 after the owner has served a four-month suspension and upon presentation of proof of current liability insurance.

### **Payment**

If a registration reinstatement fee is due from a registrant, as detailed above, the registrant may pay the reinstatement fee directly to the Department of Revenue or at their licensing official's office.

### **Distribution**

A portion of the fees collected in accordance with the MLI law is used by the department exclusively for the operation and management of the mandatory liability insurance law. Fifteen percent (15%) of the net proceeds of reinstatement fees received by the department is deposited by the department into the Alabama Peace Officers' Annuity and Benefit Fund, as authorized by Section 36-21-66. After the payment of the expenses, the remaining funds are deposited into the General Fund.

If the fees are collected by the vehicle owner's license plate issuing official, the

Administrative Office of Courts, or the circuit clerk of any county, these entities will remit the fee, less retained fees, as prescribed by statute, to the department.

## **Manufactured Home Title and Cancellation Fee**

### **Authority**

Sections 32-20-1 through 32-20-48, Code of Alabama 1975.

### **Basis**

Fee required of owners of manufactured homes designated not more than twenty model years old. Effective January 1, 2020, manufactured homes designated 1999 and prior year models are exempt from titling.

Each application for first certificate of title	\$20*
Each application for transfer of certificate of title	\$20*
Each application for cancellation of a certificate of origin or certificate of title	\$20*
Each application for replacement certificate of title	\$15
Each notice of security interest	\$15
Each assignment by lien holder	\$15
Each title history	\$15
Each application for corrected title	\$15
Each title printout	\$5

### **Payment**

Application and fee forwarded to the Alabama Department of Revenue, Motor Vehicle Division, by designated agents of the department.

Designated agents include all licensing officials in Alabama who are authorized and required by law to issue motor vehicle license plates, licensed manufactured home dealers, and financial institutions that qualify. Effective October 1, 2019, a title service provider may act as an agent on behalf of a designated agent.

### **Distribution**

General Fund.

\*\$5 of each fee is designated to go to the nonprofit 501(c)3 foundation known as the Alabama Housing Foundation.

## **Manufactured Home Registration Fee**

### **Authority**

Sections 40-7-1, 40-8-1, 40-11-1, 40-12-252, and 40-12-255, Code of Alabama 1975.

## **Basis**

Registration fee in lieu of property taxes on manufactured homes in Alabama which are rented or leased or located on land owned by someone other than the owner of the manufactured home (an owner-occupied manufactured home located on land owned by the occupant is subject to property taxes).

A decal is displayed on each unit and serves as proof of payment of the fee due. Dealer or manufacturer inventory units are not subject to the registration fee.

## **Rate**

Owner-occupied:

\$24 single wide (one transportable module).

\$48 double wide (two or more transportable modules).

All others:

\$48 single wide (one transportable module).

\$96 double wide (two or more transportable modules).

Manufactured homes 10 years old or older shall be subject to 75% of the fees above, while those 20 years or older shall be subject to 50% of the fees above.

Additionally, each manufactured home registered is subject to a \$5 issuance fee at the time of registration.

## **Payment**

Registration and payment will take place in the county in which the manufactured home is customarily located.

Decals will be issued by the county official that collects property tax on manufactured homes.

Fees are due October 1 each year and will be considered delinquent after November 30.

## **Distribution**

### Registration Fee

State General Fund – 25%

County General Fund – 25%

County School Board – 25% \*

City or municipality where the manufactured home is located – 25%.\*\*

\* The distribution for manufactured homes located within a city school district is to the city school board.

\*\*The distribution for manufactured homes located outside the corporate limits of cities or municipalities is to the County General Fund.

### Issuance Fee

An additional \$5 issuance fee is charged by the issuing official.

# **Mineral Documentary Tax**

## **Authority**

Sections 40-20-30 through 40-20-37, Code of Alabama 1975.

## **Basis**

Filing and recording any instrument creating a leasehold interest in any non-producing oil, gas, or other similar mineral interest in Alabama and upon every deed, instrument, transfer, or evidence of sale conveying interest or right to receive royalties from such property.

## **Rate**

Minimum fee – \$1.

Term of leasehold less than 10 years – \$.05 per mineral or royalty acre.

Term of leasehold more than 10 but less than 20 years – \$.10 per mineral or royalty acre.

Term of leasehold greater than 20 years – \$.15 per mineral or royalty acre.

## **Payment**

Paid one time to probate judge of the county containing property upon filing instrument of record, in lieu of payment of property tax.

## **Distribution**

35% – County General Fund.

35% – County Public School Fund.

30% – State General Fund.

# **Mobile Telecommunication Services Tax**

## **Authority**

Sections 40-21-120 through 40-21-126, Code of Alabama 1975.

## **Basis**

Privilege tax on providing mobile telecommunication services in Alabama.

## **Rate**

6% on monthly recurring access charges and all airtime charges.

## **Payment**

File return and remit tax by the 20th of each month to the Alabama Department of Revenue, Sales and Use Tax Division, for the preceding month's liability.

Taxpayers with an average monthly tax liability of \$10,000 or more during the preceding calendar year shall pay, by the 20th of the month in which the liability occurs, an estimated amount not less than the actual tax liability for the same month during the preceding year.

## **Distribution**

Amount to be appropriated for use by the State Treasurer to pay at the respective maturities of the principal and interest due in the fiscal year on the outstanding bonds issued by the Alabama Revolving Loan Fund Authority.

One-third of the remaining proceeds, plus \$1.5 million to the Education Trust Fund.

The residual balance thereof remaining to the State General Fund.

## **Motor Carrier Mileage Tax**

### **Authority**

Sections 40-19-1 through 40-19-17, Code of Alabama 1975.

### **Basis**

Motor carrier hired for transportation of persons or property on the highways of Alabama.

### **Rate**

Seating Capacity Tax Rate:

Not less than 9 nor more than 16: 1/4 cents per mile

17–21: 1/2 cents per mile

22–25: 3/4 cents per mile

Greater than 25: 1 cent per mile

### **Payment**

File and remit to the Alabama Department of Revenue, Business and License Tax Division, Motor Fuels Section, by the 15th of the month after tax accrues.

### **Exemption**

Tour bus operations are exempted from the provisions of the motor carrier mileage tax law.

### **Distribution**

Public Service Commission operating costs.

Balance – State Highway Fund.

## **Motor Vehicle Carrier Permit Fees**

### **Authority**

Sections 37-3-1 through 37-3-34, Code of Alabama 1975.

### **Basis**

Fee for any person transporting passengers or property by motor vehicle for compensation in Alabama, whether directly or by lease, contract or other arrangement.

## **Rate**

- \$100 For intrastate certificate of public convenience or permit.
- \$100 For amendment of an intrastate certificate or permit.
- \$25 For interstate registration.
- \$25 For transfer of a certificate or permit.
- \$10 For approval of a lease of a certificate for a period of more than six months.
- \$4 Registration fee for every motor vehicle used by a motor carrier on a state highway.

## **Payment**

To the Alabama Public Service Commission upon application by the motor carrier.

## **Distribution**

General Fund.

# **Motor Vehicle Certificate of Title Fee**

## **Authority**

Sections 32-8-1 through 32-8-88, Code of Alabama 1975.

## **Basis**

Fee required of owners of motor vehicles designated 35 model years old or newer and travel trailers designated 20 model years old or newer.

Registrants must have a certificate of title or an application for certificate of title before license plates can be issued.

## **Rate**

Original certificate of title	\$15
Replacement certificate	\$15
Transfer of certificate of title	\$15
Notice of security interest	\$15
Assignment by lien holder	\$15
Title history	\$15
Corrected title	\$15
Salvage title	\$15
Title printout*	\$ 5
Registration printout*	\$ 5
Notice of Junk Cancellation**	\$ 5

## **Payment**

Every designated agent must electronically submit the application for certificate

of title to the Alabama Department of Revenue, Motor Vehicle Division. Payment of application fees must also be remitted electronically.

Designated agents are all licensing officials in Alabama who are authorized and required by law to issue motor vehicle license plates, and the following entities, which are legally authorized to do business in Alabama and have a place of business in Alabama: automobile dealers, manufactured home dealers, financial institutions, pawnshops, and insurance companies. Effective October 1, 2019, a title service provider may act as an agent on behalf of a designated agent.

## **Distribution**

General Fund.

\*Distribution designated as follows: 50% to general fund and 50% to motor vehicle training and technology fund.

\*\*Distribution to motor vehicle training and technology fund. In lieu of a per transaction fee, automotive dismantler and parts recyclers and secondary metals recyclers may pay an annual fee of \$500. The annual fee is also distributed to the motor vehicle training and technology fund.

## **Motor Vehicle Dealer, Rebuilder, Wholesale and Dealer Off-Site Sales Licenses**

### **Authority**

Sections 40-12-390 through 40-12-400, Code of Alabama 1975.

### **Basis**

New Motor Vehicle Dealer – any person, firm, or corporation which holds a bona fide contract or franchise in this state in effect with a manufacturer or distributor of new motor vehicles and is engaged in the business of selling, advertising or negotiating the sale of new motor vehicles or new and used motor vehicles, to include trailers (except those not subject to titling in this state) and motorcycles. The term also includes a used motor vehicle dealer, motor vehicle rebuilder, and motor vehicle wholesaler.

Used Motor Vehicle Dealer – any person, firm, or corporation engaged in the business of buying, selling, exchanging, advertising, or negotiating the sale of five or more motor vehicles at retail during a calendar year, to include trailers (except those not subject to titling in this state) and motorcycles. The term also includes a motor vehicle rebuilder and motor vehicle wholesaler.

Motor Vehicle Rebuilder – any person, firm, or corporation engaged in the business of making or causing to be made extensive repairs, replacements, or combination of different motor vehicles to the extent of extinguishing the identity of the original vehicle to the extent finished vehicle may be assigned a new identification number by the Department of Revenue. This term also includes refurbishing, repairing, or replacing damaged parts of motor vehicles for the purpose of preparing the vehicle for resale under the same identification and identity as the vehicle had

before the refurbishing.

Motor Vehicle Wholesaler – any person, firm, or corporation engaged in the business of buying, selling, or exchanging motor vehicles at wholesale to motor vehicle dealers and not to the public.

**Rate**

New motor vehicle dealer	\$25
Used motor vehicle dealer	\$25
Wholesaler	\$25
Rebuilder	\$25
Each additional place of business	\$ 5
Off-site sales license	\$25 Limited to three per dealer license year.

A privilege license under Sections 40-12-51, 40-12-62, or 40-12-169 is also required for each off-site sale.

**Payment**

Applications are electronically filed with the Alabama Department of Revenue, Motor Vehicle Division. Dealers may apply for licenses beginning September 1 of each year. Licenses are valid from October 1 to September 30 of each year. Off-site sales licenses are only valid for 10 consecutive calendar days.

**Distribution**

General Fund.

**Motor Vehicle Registration Fees**

**Authority**

Sections 40-12-240 through 40-12-302 and 32-6-51 through 32-6-680, Code of Alabama 1975.

**Basis**

Motor vehicle operation and use upon the public highways of Alabama.

**Rate**

Passenger cars and pickup trucks	\$23 to \$105
Motorcycles	\$15
Buses (based on seating)	\$47.50 to \$210
Taxicabs (based on weight)	\$21 to \$40
Hearses and ambulances (based on city population)	\$15 to \$55
Trucks and truck-tractors (based on gross wt.)	\$23 to \$890

Motor homes (based on gross wt.)	\$23 to \$890
Commercial trailers	\$20
Travel and utility trailers	\$12
Rental utility trailers	\$15
Permanent trailers	\$60

**Payment**

Remit to license plate-issuing official in county of residence (if an individual) or where the vehicle is principally used (if a business). Fees can be remitted to participating city license plate issuing officials for Jefferson County residents only.

Registration is staggered based on the first letter of the individual’s last name:

January: A, D	May: H, O	September: Q, S, T
February: B	June: M, I	October: U, V, W, X,
March: C, E	July: P, L	Y, Z
April: F, G, N	August: J, K, R	

Trucks and commercial and fleet vehicles will be registered during October and November of each year.

**Distribution**

The additional fee of \$10 for passenger automobiles and pickup trucks and the additional fee of \$8 for motorcycles are distributed to the state’s general fund for use by the Public Safety Department for enforcing traffic and motor vehicle laws.

The remaining balance is distributed as follows:

Base Amount:

- 72% Public Road and Bridge Fund
- 21% City or County of Residence
- 7% Cities and Counties

Additional Amount: (For trucks)

- 64.75% Public Road and Bridge Fund
- 35.25% Counties

**Nursing Facility Tax**

**Authority**

Sections 40-26B-20 through 40-26B-27, Code of Alabama 1975.

**Basis**

Privilege tax on the business activities of every nursing facility in Alabama.

## **Rate**

Annual rate of \$1,899.96 per year for each bed in the facility and a supplemental rate of \$1,603.08 for each bed in the facility. The current supplemental privilege assessment and monthly surcharge on nursing facilities extends to August 31, 2022. Beginning with the monthly payment for the supplemental privilege assessment due on September 20, 2012, the monthly surcharge will be \$43.75 per licensed bed. Act 2015-536 imposed a secondary supplemental privilege assessment. The additional monthly surcharge will be \$33.44 for each bed in the nursing facility to be collected for the period October 1, 2015 through August 31, 2022.

## **Payment**

File return and remit monthly installment payment to Alabama Department of Revenue, Sales and Use Tax Division, on or before the 20th day of the month for the preceding month's liability.

## **Distribution**

Alabama Health Care Trust Fund.

# **Oil and Gas Privilege Tax**

## **Authority**

Sections 40-20-1 through 40-20-13, and 40-20-20 through 40-20-23, Code of Alabama 1975.

## **Basis**

Engaging in the business of producing or severing oil or gas within the state.

## **Rate**

### 4% Privilege

- Oil wells producing 25 BBLs or less per day.
- Gas wells producing 200 MCF or less per day.
- Incremental production from qualified enhanced recovery projects and supplemental enhanced recovery projects approved by State Oil and Gas Board.

### 6% Privilege

- Offshore wells, at depths less than 8,000 feet below mean sea level, granted permits on or after July 1, 1988, by State Oil and Gas Board.
- Onshore wells permitted on or after July 1, 1988, except those qualifying for lower tax rates.

### 8% Privilege

- Tax on all other taxable production not covered under above provisions.

### 3.65% Privilege

- Offshore wells producing from depths greater than 8,000 feet below mean sea level, computed as a percentage of gross proceeds.

## Reduced Privilege Tax

Any well permitted between July 1, 1996, and July 1, 2002, that is not a replacement well, will qualify for a 50% tax rate reduction for five years from first production.

## **Exemption**

Natural gas lawfully injected into oil or gas pools, or reservoirs in the soil, or beneath the soil or waters of the state for the purpose of lifting oil or gas is exempt from this tax. However, if any gas injected is sold or injected into underground storage facilities, that gas shall not be exempt from this tax. Natural gas lawfully vented or flared in connection with the production, treatment, or processing of oil or gas is exempt from the tax.

## **Payment**

File return and remit payment to the Alabama Department of Revenue, Business and License Tax Division, Severance and License Section, by the 15th day of the second month following production.

## **Distribution**

### Onshore:

25% - General Fund.

75% - Distributed as follows:

- 16-2/3% - General Fund.
- 16-2/3% - Counties where severed.
- 66-2/3% - Distributed as follows:
  - 25% - Counties where severed.
  - 10% - Municipalities where severed.
  - First \$150,000 of remainder:
    - 50% - State General Fund.
    - 42-1/2% - Counties where severed.
    - 7-1/2% - Municipalities.
  - Remainder:
    - 84% - State General Fund.
    - 14% - Counties where severed.
    - 2% - Municipalities.

### Offshore:

90% - General Fund.

10% - Counties where severed.

## **Oil and Gas Production Tax**

### **Authority**

Sections 9-17-25 through 9-17-31, and 9-17-34 through 9-17-35, Code of Alabama 1975.

### **Basis**

Production of oil or gas from a well in Alabama.

**Rate**

2% of gross value at point of production.

1% for any well permitted between July 1, 1996, and July 1, 2002, that is not a replacement well, for five years from first production.

1.66% for offshore wells producing from depths greater than 8,000 feet below mean sea level, computed as a percentage of gross proceeds.

**Payment**

Paid to the Alabama Department of Revenue, Business and License Tax Division, Severance and License Section, by the 15th day of the second month following production.

**Distribution**

General Fund.

**Pari-Mutuel Pool Tax****Authority**

Sections 40-26A-1 through 40-26A-17, Code of Alabama 1975.

**Basis**

Privilege tax on every person engaged in the business of operating a dog race track in the state.

**Rate**

1% of the pari-mutuel pool on all pari-mutuel races.

In addition, there is also a 1% levy on the pari-mutuel pool on all races requiring the selection of three or more racers.

**Payment**

File and remit payment by the 20th day of each month to the Alabama Department of Revenue, Business and License Tax Division, Severance and License Section.

**Distribution**

General Fund.

**Partnership Income Tax****Authority**

Sections 40-18-22, 40-18-24.2, 40-18-24.3, and 40-18-28, Code of Alabama 1975. This is a component of Individual and Corporate Income Tax.

**Basis**

Partnerships are a pass-through entity. Income is calculated on the partnership informational return, Form 65. The income is reported and taxes paid on the partners' (individual or corporate) income tax returns.

## **Payment**

Partnerships (other than QIPs, low income housing projects, and large partnerships treated as corporations) with nonresident partners must file Form PTE-C and remit a composite payment of 5% of the nonresident partners' share of income. The form and any tax due should be remitted on or before the 15th day of the third month following the close of the partnership's accounting period. Returns and payments should be filed with the Alabama Department of Revenue, Individual and Corporate Tax Division, Pass Through Entity Unit.

## **Distribution**

See Individual Income Tax and Corporate Income Tax.

## **Pharmaceutical Providers Tax**

### **Authority**

Sections 40-26B-1 through 40-26B-8, Code of Alabama 1975.

### **Basis**

Privilege tax on the business activities of every provider of pharmaceutical services to Alabama citizens, except for pharmacies serving hospital inpatients or pharmacies owned or operated by the state of Alabama.

### **Rate**

Ten cents for each prescription filled or refilled for a citizen of Alabama.

### **Payment**

File and remit tax to Alabama Department of Revenue, Sales and Use Tax Division, by the 20th of the month for the preceding month's liability.

### **Distribution**

Alabama Health Care Trust Fund.

## **Prepaid Wireless 9-1-1 Charge**

### **Authority**

Sections 11-98-1 through 11-98-15, Code of Alabama 1975.

### **Basis**

Each retail transaction involving the sale of prepaid wireless telecommunications services.

### **Rate**

Effective January 1, 2019, the charge per retail transaction occurring in this state increased to \$1.86.

### **Payment**

File return and remit monthly payment to the Alabama Department of Revenue,

Sales and Use Tax Division, on or before the 20th day of the month for the preceding month's liability.

## **Distribution**

Commercial Mobile Radio Services Board and, upon the effective date of the statewide 9-1-1 charge, to the statewide 9-1-1 Board.

## **Property (Ad Valorem) Tax**

### **Authority**

Sections 40-1-1 through 40-11-4 and 40-21-1 through 40-21-34, Code of Alabama 1975; Amendment 373, Constitution of Alabama of 1901.

### **Basis**

Ownership of real and personal property within this state.

### **Rate**

The state tax rate is 6.5 mills.

County millages vary from 17.5 mills to 55.8 mills. City millages vary from zero to 49.3 mills.

Counties and cities may decrease their ad valorem tax rate, provided the decrease does not jeopardize the payment of bonded indebtedness.

Any increase in the county and municipal tax rate must be approved by the governing authority, the legislature, and the voters of the taxing jurisdiction.

The county commission, at its first regular meeting in February, shall levy the amount of general taxes required for county expenses for the current year, not to exceed 1/2 of 1% of the value of taxable property as shown by assessment records.

All nonexempt property is divided into the following classes and subject to the assessment ratios indicated:

- Class I      All property of utilities used in the business of such utilities. 30%
- Class II     All property not otherwise classified. 20%
- Class III    All agricultural, forest, and single-family, owner-occupied residential property, including owner-occupied residential manufactured homes (formerly known as "mobile homes") located on land owned by the manufactured home owner, and historic buildings and sites. Residential property shall include single-family dwellings and the fully-developed underlying lot owned by a home builder licensed by the Alabama Homebuilders Licensure Board or who is otherwise authorized by the board to construct single family homes; authorized by the board to construct single family homes; provided that this classification shall not exceed a period of 24 months. 10%

Class IV All private passenger automobiles and motor trucks of the type commonly known as “pickups” or “pickup trucks” owned and operated by an individual for personal or private use and not for hire, rent, or compensation. Automobiles and “pickup” trucks under lease-purchase option agreements which are leased by an individual for personal or private use are also included. 15%

One tax rate must be applied to all property taxed by the state. One tax rate must be applied to all property taxed by a county, municipality, or other taxing authority within its taxing jurisdiction.

With the exception of the cities of Mountain Brook, Vestavia Hills, and Huntsville, the amount of property tax paid on any item of taxable property shall never exceed the percentage of market value for that class as shown below:

- Class I 2% 66.7 Mills Tax Rate
- Class II 1 1/2% 75 Mills Tax Rate
- Class III 1% 100 Mills Tax Rate
- Class IV 1 1/4% 83.3 Mills Tax Rate

All taxable property is to be appraised at its fair and reasonable market value, with the exception of Class III property, which may be appraised by the assessor on current use value if the owner of the property requests. All taxpayers have the right to appear before the county board of equalization concerning property valuation.

### **Exemption**

Residents of this state, with homesteads who are less than 65 years of age, are exempt from state-levied property taxes not to exceed \$4,000 in assessed value, or 160 acres in area. Residents of this state with homesteads, who are over 65 years of age, retired due to permanent and total disability (regardless of age), or blind as defined in Section 1-1-3 (regardless of age or whether such person is retired) shall be exempt from all state levied property taxes.

Residents of this state, with homesteads who are less than 65 years of age, are exempted from county-levied property taxes, except countywide and school district property taxes levied for school purposes, not to exceed \$2,000 in assessed value, nor 160 acres in area. An additional exemption, not to exceed \$4,000 in assessed value may be granted for county and municipal taxes, provided countywide, school district, or municipal school district exemptions are approved by resolution of the governing body and school system boards.

Residents of this state, with homesteads, who are 65 years of age or older with an annual adjusted gross income of less than \$12,000, as reflected on the most recent state income tax return or some other appropriate evidence, who are retired due to permanent and total disability (regardless of age), or who are blind as defined in Section 1-1-3 (regardless of age or whether such person is retired) are exempted

from property taxes levied by any county of this state, including taxes levied for school districts, not to exceed \$5,000 in assessed value, nor 160 acres in area.

The principal residence and 160 acres adjacent thereto of any person who is 65 years of age or older having a net annual taxable income of \$12,000 or less, as shown on such person's and spouse's latest United States income tax return or some other appropriate evidence acceptable to the department or who is permanently and totally disabled, regardless of age or income, are exempt from all state, county and municipal property taxes on their principal residence.

Property tax exemptions include state, county, and municipal property; property devoted exclusively to religious worship, educational, or charitable purposes; household and kitchen furniture; farm tractors, farming implements used for agricultural purposes by the owner; stocks of goods, wares, and merchandise; and manufactured homes rented or leased, not located on land owned by the manufactured home owner (these homes must be registered).

In order to encourage the development of new industry in the state, as well as to encourage the expansion of existing industry, there are provisions in the law for exemptions from property taxes in some cases.

Manufacturers of calcium cyanamid, aluminum, or aluminum products are specifically exempt from all state, county, and municipal property tax levies for ten years.

## **Payment**

Individuals, partnerships, corporations, etc., pay tax annually to county tax collectors between October 1 - December 31, following assessment.

Public utilities and railroads file returns annually with the Alabama Department of Revenue, Property Tax Division, by March 1. Assessments are made by the department and collected by the counties.

## **Distribution**

3 mills: (46.15%) – Public School Fund.

2.5 mills: (38.46%) – General Fund.

1 mill: (15.38%) – Human Resources Fund.

## **Rebuilt (Salvage) Vehicle Inspection Fee**

### **Authority**

Section 32-8-87(1), Code of Alabama 1975.

### **Basis**

Inspection fee for inspection of salvage vehicle restored to operating condition which existed before event which caused a salvage motor vehicle title to be issued. Fee pays for costs of inspection to determine that the identification numbers of the vehicle or its parts have not been removed, falsified, altered, defaced, destroyed,

or tampered with and that there are no indications that the vehicle or any of its parts are stolen.

**Rate**

\$75.00 per application for inspection.

**Payment**

Payable to Alabama Department of Revenue, Motor Vehicle Division, with submission of application for inspection form (INV 26-15) plus title fee of \$15 and supporting documents.

**Distribution**

To the Alabama Department of Revenue for “personnel and maintenance cost of the vehicle inspection program.”

**Recordation Tax**

**Authority**

Sections 40-22-1 through 40-22-12, Code of Alabama 1975.

**Basis**

Recordation of mortgages, deeds, bills of sale, conditional sale contracts, etc.

**Rate**

Mortgages – \$.15 per \$100 of indebtedness or fraction thereof. (Also deeds of trust, conditional sale contracts, etc.)

Deeds – \$.50 per \$500 of value or fraction thereof. (Also bills of sale.)

**Payment**

Paid to probate judge upon presentation for record; except for deeds conveying property in two or more counties, mortgages conveying property both within and without Alabama, and open-end mortgages.

In the instances noted above, the tax is also paid to probate judges, but only after petition is made to the Department of Revenue and the department has issued an order determining the amount and distribution of said tax.

**Distribution**

2/3 – General Fund.

1/3 – County.

**Rehabilitation, Preservation and Development of Historic Structures Credit**

**Authority**

Section 40-9F-32, Code of Alabama 1975.

## **Basis**

Income tax credits for private homeowners and owners of commercial properties who substantially rehabilitate historic properties that are listed in or eligible for the National Register of Historic Places and are 60 years old or older will be issued using sales tax revenues in the Education Trust Fund by annual transfer into the Historic Preservation Income Tax Credit Account.

## **Rate**

Income tax credits for rehabilitation of historic structures are equal to 25% of the qualified rehabilitation expenditures for certified historic structures, not exceeding \$5,000,000 for all allowable project types except for certified residential structures, and \$50,000 for certified historic residential structures. The income tax credit must be claimed by the taxpayer for the taxable year in which the certified rehabilitation is placed in service. The credit is refundable and transferable but cannot be carried forward.

For the tax years 2018 through 2022, the aggregate amount of all tax credits that may be reserved in any one of such years by the Alabama Historical Commission and certification of such rehabilitation of historic projects shall not exceed twenty million (\$20,000,000), with no more than one hundred million (\$100,000,000) reserved by the Alabama Historical Commission during the period from May 25, 2017, through December 31, 2022.

## **Payment**

For tax years beginning January 1, 2018, any Alabama income tax credit due an owner or transferee of a certified rehabilitated historic structure will be issued upon 1) a tax credit certificate being issued by the Alabama Historical Commission or a transfer tax credit certificate being issued by the Alabama Department of Revenue, and 2) the taxpayer filing the appropriate income tax return within the time prescribed for filing income tax returns.

## **Distribution**

The Commissioner of Revenue will certify to the comptroller the amount of income tax credits due to owners or transferees of a certified rehabilitated historic structure, and the comptroller will transfer into the Historic Preservation Income Tax Credit Account only the amount of sales tax revenues sufficient for the Department of Revenue to use to cover the income tax credits for the applicable tax year. The Commissioner of Revenue shall distribute the funds in the account to the owners or transferees of the certified rehabilitation of historic structures.

## **Rental or Leasing Tax**

### **Authority**

Section 40-12-220 through 40-12-227, Code of Alabama 1975.

**Basis**

Privilege tax on persons engaging in the business of leasing or renting tangible personal property.

**Rate**

4% of gross proceeds from leasing or rental of tangible personal property.

1.5% of gross proceeds from leasing or renting automotive vehicles, truck trailers, semi-trailers, or house trailers.

2% of gross proceeds from leasing or rental of linens or garments.

**Payment**

File return and remit tax to the Alabama Department of Revenue, Sales and Use Tax Division, by the 20th of month for preceding month's liability.

Taxpayers may request quarterly filing status if they have a tax liability of less than \$2,400 for the preceding calendar year.

Taxpayers may request semi-annual filing if the tax liability for the entire preceding calendar year is less than \$1,200. Taxpayers may also request semi-annual filing if they make sales, rentals, purchases subject to consumers use tax, or provide accommodations during no more than two 30 consecutive day periods during the preceding calendar year.

Taxpayers may request annual filing status if the tax liability for the entire preceding calendar year is less than \$600. Taxpayers may also request annual filing if they make sales, rentals, purchases subject to consumers use tax, or provide accommodations during no more than one 30 consecutive day period during the preceding calendar year.

Quarterly, semi-annual, and annual returns are due by the 20th of the month following the period covered by the return.

**Distribution**

General Fund.

**Sales Tax****Authority**

Sections 40-23-1 through 40-23-39, Code of Alabama 1975.

**Basis**

Gross proceeds from sale of all taxable items for consumption or other use to consumers (except as specifically exempted by law) within Alabama and the gross receipts from conducting or operating public places of amusement or entertainment.

## **Rate**

4% of gross proceeds of sale of tangible personal property.

4% of gross receipts from conducting or operating public places of amusement or entertainment.

2% of net trade difference of new or used automotive vehicles, truck trailers, semi-trailers or house trailers.

2% of gross proceeds of sale of manufactured home set-up materials and related supplies.

1.5% selling price of machinery used in mining or manufacturing tangible personal property.

1.5% of net trade difference of new or used farm machines, machinery, and equipment that is used in production of agricultural produce or products, livestock or poultry on farms.

3% of retail selling price of food products sold through vending machines.

The Department of Revenue collects and administers approximately 200 county and municipal sales and/or gross receipts taxes ranging in rate between 1/4 of 1% to 5%. In addition, some counties and municipalities may choose to administer their own sales and/or gross receipts taxes.

## **Payment**

File and remit tax to the Alabama Department of Revenue, Sales and Use Tax Division, by the 20th of the month for the preceding month's liability.

Taxpayers may request quarterly filing status if they have a tax liability of less than \$2,400 for the preceding calendar year.

Taxpayers may request semi-annual filing if the tax liability for the entire preceding calendar year is less than \$1,200. Taxpayers may also request semi-annual filing if they make sales, rentals, purchases subject to consumers use tax, or provide accommodations during no more than two 30 consecutive day periods during the preceding calendar year.

Taxpayers may request annual filing status if the tax liability for the entire preceding calendar year is less than \$600. Taxpayers may also request annual filing if they make sales, rentals, purchases subject to consumers use tax, or provide accommodations during no more than one 30 consecutive day period during the preceding calendar year.

Quarterly, semi-annual, and annual returns are due by the 20th of the month following the period covered by the return.

Taxpayers with an average monthly tax liability of \$2,500 or greater during the preceding calendar year shall pay, by the 20th day of the month in which the liability occurs, an estimated amount equal to the lesser of 2/3 of the taxpayer's actual tax liability for the same calendar month of the preceding year or 2/3 of the current month's estimated liability.

## **Distribution after the deduction of collection costs**

Education Trust Fund, except as follows:

\$ 378,000 is distributed to the Counties.

\$1,322,000 is distributed to the Department of Human Resources.

42% of the 2% tax on gross proceeds from sale of automotive vehicles and from sale of mobile home set-up materials and related supplies goes to the General Fund.

An amount equal to 5% of the value of food stamp benefits issued statewide in excess of the amount paid by recipients is distributed to the Department of Human Resources.

An amount for debt service is distributed to the Alabama Public School and College Authority.

Revenue generated from \$400 discount cap goes to pay debt service on bonds issued by the Alabama State Parks System Improvement Corporation and/or the Alabama Public Historical Sites and Parks Improvement Corporation and to pay the greater of \$5 million or \$5 million adjusted by a percentage growth in receipts from the cap allocated to the Department of Conservation and Natural Resources for repairs and capital outlays for state parks. The balance goes to the General Fund. Act No. 2011-642, effective October 1, 2011, amended Section 40-23-35, Code of Alabama 1975, to change the distribution of the sales tax discount. The act provides that only for fiscal years ending September 30, 2012, and September 30, 2013, the \$5 million normally disbursed to the Department of Conservation and Natural Resources will, instead, be disbursed to the State General Fund.

Beginning January 1, 2016, all proceeds from the tax on sales of consumable vapor products will be disbursed to the General Fund.

## **Scrap Tire Environmental Fee**

### **Authority**

Sections 22-40A-1 through 22-40A-24, Code of Alabama 1975.

### **Basis**

Fee on sale of new, used or retread tires, whether mounted or not, to the consumer.

### **Rate**

\$1 per tire.

### **Payment**

File and remit to the Alabama Department of Revenue, Business and License Tax Division, Severance and License Section. Payment is due by the 20th of each month for the previous month's operation.

## **Distribution**

All fees collected, less administrative expenses, are deposited into the Scrap Tire Fund to be distributed for use by the Alabama Department of Environmental Management.

## **Simplified Sellers Use Tax Remittance Program (SSUT)**

### **Authority**

Sections 40-23-191 through 40-23-199, Code of Alabama 1975.

### **Basis**

Gross proceeds of sales of tangible personal property from eligible sellers located outside of Alabama selling into the state. Offers a flat statewide tax with no additional local tax collection authority.

### **Rate**

Flat 8% statewide tax on gross proceeds of sales of tangible personal property.

### **Payment**

File and remit tax to the Alabama Department of Revenue, Sales and Use Tax Division, by the 20th of the month for the preceding month's liability. Electronic filing and payment required.

## **Distribution**

50% to the state.

75% State General Fund.

25% Education Trust Fund.

50% to the local governments within the state.

50% Counties. (40% effective January 1, 2019)

50% Cities. (60% effective January 1, 2019)

## **Solid Waste Disposal Fee**

### **Authority**

Sections 22-27-1 through 22-27-18, Code of Alabama 1975.

### **Basis**

Fees levied upon generators of solid waste disposing of the waste at permitted solid waste management facilities.

### **Rate**

\$1 per ton for all waste disposed of in a municipal solid waste landfill, regulated solid waste that may be approved by ADEM as alternate cover materials in landfills and regulated solid waste received from out-of-state for disposal at

permitted public solid waste facilities.

\$1 per ton or \$.25 per cubic yard for all waste disposed of in public industrial landfills, construction and demolition landfills, non-municipal solid waste incinerators, or composting facilities, which receive waste not generated by the permittee; regulated solid waste that may be approved by ADEM as alternate cover materials in landfills; and regulated solid waste received from out-of-state for disposal at permitted public solid waste facilities.

\$.25 per cubic yard for all waste disposed of in a private solid waste management facility, not to exceed \$1,000 per calendar year.

### **Payment**

File a quarterly report and remit to the Alabama Department of Revenue, Business and License Tax Division, Severance and License Section. Payment is due no later than the 20th day of January, April, July, and October on all waste delivered to the solid waste facilities for disposal.

### **Distribution**

25% - Alabama Recycling Fund (ARF).

25% - Solid Waste Fund (SWF).

45% - Alabama Department of Environmental Management (ADEM).

4% - Retained by Owners/Operators collecting the solid waste fee.

1% - Alabama Department of Revenue.

## **State Horse Wagering Fee**

### **Authority**

Sections 11-65-1 through 11-65-47, Code of Alabama 1975.

### **Basis**

Fee on each licensed horse-racing operator.

### **Rate**

1% of the operator's horse-racing handle.

### **Payment**

Remit payment by the end of the calendar month for activity during the preceding calendar month to the Alabama Department of Revenue, Business and License Tax Division, Severance and License Section.

### **Distribution**

General Fund.

## **Store and Chain Store License**

### **Authority**

Sections 40-12-310 through 40-12-319, Code of Alabama 1975.

## **Basis**

Any person, firm, corporation, association, or co-partnership, foreign or domestic, is required to obtain a license to operate, maintain, open, or establish any store in this state in which goods, wares, or merchandise of any kind are sold, at either retail or wholesale.

Two or more stores which are under a single or common ownership or management, if directly or indirectly owned or controlled by a single person or group having a common interest, shall be termed a chain of stores and shall be required to pay the additional license tax for each store so maintained.

## **Rate**

1 Store	\$1
2-5 Stores	\$15 each additional store
6-10 Stores	\$22.50 each additional store
11-20 Stores	\$37.50 each additional store
More than 20	\$112.50 each additional store

New businesses beginning on or after April 1 may pay one-half of the full rate for a part-year license.

## **Payment**

Store/chain store licenses are due and payable by October 1 and delinquent on November 1. Licenses are issued by the county-issuing authority at the courthouse in the county where the principal or main store is located.

## **Distribution**

Education Trust Fund.

# **Tobacco Master Settlement Agreement – Escrow and Complementary Legislation Provisions**

## **Authority**

Sections 6-12-1 through 6-12-4 and 6-12A-1 through 6-12A-7, Code of Alabama 1975.

## **Basis**

Provides that tobacco product manufacturers not signatory to the Master Settlement Agreement (MSA) establish a qualified escrow account, make quarterly deposits into the account based on its cigarette and roll-your-own distributions into the State, and file quarterly forms certifying the amount deposited into escrow and the number of cigarette and roll-your-own units distributed. The statute further provides for a monthly report from tobacco distributors identifying manufacturers of cigarettes and roll-your-own tobacco who are not participating from those who are participating in the MSA and whose products were sold tax-paid in Alabama.

Additionally, effective April 8, 2014, any cigarettes and roll-your own sold in a transaction not exempted from Alabama taxation by federal statute or constitution shall also be shown on the monthly report. It also provides for a yearly certification by all tobacco products manufacturers (TPMs) wishing to distribute their product in the State. All tobacco product manufacturers are required to have their name and brand(s) listed on the Directory of Cigarettes Approved for Stamping and Sale in Alabama to legally distribute their products in the state.

## **Payment**

Non-participating manufacturers are to make quarterly escrow deposits by January 31, April 30, July 31, and October 31.

Amounts to be placed into the escrow fund, as adjusted for inflation, are as follows: For 2007 and each year thereafter: \$.0188482 per unit sold.

## **Distribution**

Non-compliant NPM civil penalties collected by the Legal Division; distributor failure to timely file penalties and amounts collected via the NPM's quarterly posted bond:

100% - General Fund.

## **Tobacco Tax**

### **Authority**

Sections 40-25-1 through 40-25-29, and 40-25-40 through 40-25-47, Code of Alabama 1975.

### **Basis**

Sale, storage, use, or distribution of tobacco products by wholesalers, retailers, and consumers.

### **Rate**

\$.675 on each package of 20 cigarettes. On other tobacco products such as cigars, filtered cigars, cigar wrappers, smoking tobacco, chewing tobacco, and snuff, rates vary, depending on weight or number of cigars received.

### **Payment**

For cigarettes (state and state-administered counties), tax is paid by affixing stamps. For other tobacco products, a report (state and state-administered counties) shall be submitted to the state with the appropriate tax remitted.

File and remit to the Alabama Department of Revenue, Business and License Tax Division, Tobacco Tax Section, by the 20th of the month for the stamps purchased on consignment and/or products handled during the preceding month.

In addition to state tobacco taxes, cigarettes and other tobacco products are subject to taxation at the local level.

The department administers these taxes in some counties. State-administered local tobacco taxes range from \$.04 to \$.25 per pack of cigarettes and other tobacco products of various packages and containers and up to \$.25 per package of rolling papers.

Municipal taxes, where applicable, are collected and administered by the municipality or its designated agent.

## **Distribution**

Cigarettes

24.44% as follows:

- 66.67% - General Fund
- 12.12% - Bonds maturing for purpose of acquiring and constructing mental health facilities, remainder to General and Mental Health Fund
- 6.06% - State Public Welfare Trust Fund
- 6.06% - Bonds issued by State Parks Development Authority, remainder to State Parks Fund
- 9.09% - IDA Bonds, Remaining to “General and Mental Health Fund”

75.56% as follows:

- \$2 million to counties to offset administrative expenses

Balance--General Fund for Medicaid services

Other Tobacco Products 100% – General Fund

## **Transient Occupancy (Lodgings) Tax**

### **Authority**

Section 40-26-1 through 40-26-21, Code of Alabama 1975.

### **Basis**

Renting rooms, lodgings, or accommodations to transients in any hotel, motel, inn, tourist camp, or cabin, except where accommodations are furnished for a period of 180 continuous days or more. For transactions entered into on or after October 1, 2019, marine slips, spaces for tent camping, motor homes, travel trailers, campers, or RVs that are supplied for a period of 90 continuous days or more in any place will be excluded from the tax.

### **Rate**

5% in the following counties:

Blount, DeKalb, Lauderdale, Marion, Cherokee, Etowah, Lawrence, Marshall, Colbert, Franklin, Limestone, Morgan, Cullman, Jackson, Madison and Winston

4% in all other counties:

In addition to the above, several counties and municipalities levy local lodgings taxes, ranging in rate between 1% and 12%. Some of the local lodgings taxes are collected by the Department of Revenue and others are self-administered.

## **Payment**

File return and remit tax to the Alabama Department of Revenue, Sales and Use Tax Division, and to the proper local authority, by the 20th of month for the preceding month's liability.

Taxpayers may request quarterly filing status if they have a tax liability of less than \$2,400 for the preceding calendar year.

Taxpayers may request semi-annual filing if the tax liability for the entire preceding calendar year is less than \$1,200. Taxpayers may also request semi-annual filing if they have provided accommodations during no more than two 30 consecutive day periods during the preceding calendar year.

Taxpayers may request annual filing status if the tax liability for the entire preceding calendar year is less than \$600. Taxpayers may also request annual filing if they have provided accommodations during no more than one 30 consecutive day period during the preceding calendar year.

## **Distribution**

4% tax:

75% – General Fund

25% – Bureau of Tourism and Travel

1% tax:

50% - Alabama Mountain Lakes Association

50% - Respective Counties

## **TVA Electric Payment**

### **Authority**

Sections 40-28-1 through 40-28-4, Code of Alabama 1975.

### **Basis**

The Tennessee Valley Authority (TVA) makes annual payments to Alabama, in lieu of taxes, under federal law, 16 U.S.C. Section 831.

### **Payment**

Paid by TVA in monthly installments to the Alabama Department of Revenue, Financial Operations Section, by the first of every month.

### **Distribution**

17% – State General Fund

83% – Direct-served counties

The direct-served counties' share is allocated among the counties using formulae that analyze:

TVA industrial/residential power sales ratios; book value ratios of TVA property; and, construction in counties where TVA services are provided.

Prior to fiscal year 2010, the dry (non-alcoholic) non-served counties were allocated 5% of the TVA payments and the direct-served counties were allocated 78%. Beginning with fiscal year 2010, the portion allocated to the dry non-served counties was reduced by the increase in certain liquor tax revenues, until the replacement liquor tax revenues equaled the amount of the TVA payments allocated to the dry non-served counties for fiscal year 2009. Thereafter, the portion previously allocated to the dry non-served counties is being allocated to the direct-served counties.

## **Underground and Aboveground Storage Tank Trust Fund Charge**

### **Authority**

Sections 22-35-1 through 22-35-13, Code of Alabama 1975.

### **Basis**

Charge is imposed on the first withdrawal of a motor fuel from bulk and on motor fuels imported into Alabama.

### **Rate**

Based on invoiced gallons in an amount which shall be not greater than \$.02 per gallon, nor less than \$.003 per gallon as determined by the Alabama Environmental Management Commission and the Trust Fund Management Board. The current rate is \$.01 per gallon.

### **Payment**

File returns and remit charge to the Alabama Department of Revenue, Business and License Tax Division, Severance and License Section, by the 20th of the month for the preceding month's activity.

### **Distribution**

Alabama Underground and Aboveground Trust Fund.

## **Unemployment Compensation Tax**

### **Authority**

Sections 25-4-52 and 25-4-54, Code of Alabama 1975.

### **Basis**

Annual earnings paid to each employee.

### **Rate**

Tax is due by an employer on the first \$8,000 paid to each employee during a calendar year.

Rates per employee are determined under an experience rating plan. Under this plan, rates range (in 17 steps) from .59% to 6.19%. Special assessments may be

made to support special requirements.

## **Payment**

Reporting forms are mailed the last week of each quarter to all registered employers by the Department of Labor. File by end of month following close of each quarter.

## **Use Tax**

### **Authority**

Sections 40-23-60 through 40-23-88, Code of Alabama 1975.

### **Basis**

Excise tax on tangible personal property purchased outside Alabama for storage, use, or other consumption in Alabama.

### **Rate**

4% of selling price of general merchandise and items.

2% of selling price of mobile home set-up materials and related supplies.

2% of net trade difference of new and used automotive vehicles.

1.5% of selling price of machinery used in mining and manufacturing.

1.5% of net trade difference of farm machines, machinery, or equipment.

Note: Each purchaser liable for use tax on tangible personal property is entitled to full credit for the combined amount of legally imposed sales or use taxes paid by the purchaser with respect to the same property to another state and any subdivision thereof.

### **Payment**

File and remit to the Alabama Department of Revenue, Sales and Use Tax Division, on the 20th day of month for the preceding month's liability.

Taxpayers may request quarterly filing status if they have a tax liability of less than \$2,400 for the preceding calendar year.

Taxpayers may request semi-annual filing if the tax liability for the entire preceding calendar year is less than \$1,200. Taxpayers may also request semi-annual filing if they make sales, rentals, purchases subject to consumers use tax, or provide accommodations during no more than two 30 consecutive day periods during the preceding calendar year.

Taxpayers may request annual filing status if the tax liability for the entire preceding calendar year is less than \$600. Taxpayers may also request annual filing if they make sales, rentals, purchases subject to consumers use tax, or provide accommodations during no more than one 30 consecutive day period during the preceding calendar year.

Quarterly and annual returns are due by the 20th of the month following the period covered by the return.

## **Distribution**

Education Trust Fund, except for 42% of the 2% tax on gross proceeds from sale of automotive vehicles which will go to the General Fund, and revenues from the repealed discount which go to the Foster Children's Program and the Department of Conservation and Natural Resources. After the distribution of the 2% tax on gross proceeds from the sales of automotive vehicles and other distributions provided in Section 40-23-85, 75% of future collections from remote sellers and 53% of all current use taxes will be deposited into the General Fund. An amount sufficient to fund the Children's Health Insurance Program (CHIP) will be distributed annually as a first charge against the amounts allocated to the General Fund under Section 40-23-85. It is the legislative intent that all amounts collected on transactions involving a seller located outside the state when the property is shipped or transported from outside the state will be considered use tax for the purpose of distribution, regardless of whether the taxes are considered sales taxes for other purposes.

## **Utility Gross Receipts Tax**

### **Authority**

Sections 40-21-80 through 40-21-88, Code of Alabama 1975.

### **Basis**

Privilege tax on every utility (electric, domestic water, natural gas, telegraph, and telephone) furnishing services in Alabama.

### **Rate**

Tax on utilities furnishing electricity, domestic water or natural gas:

If monthly gross sales or gross receipts

Respecting a person are:	The tax is:
Not more than \$40,000	4% of gross sales or gross receipts
Over \$40,000 but not over \$60,000	\$1,600 plus 3% of excess over \$40,000
Over \$60,000	\$2,200 plus 2% of excess over \$60,000

Tax on utilities furnishing telegraph or telephone services:

6% on gross sales or gross receipts

### **Payment**

File return and remit tax by the 20th of each month to the Alabama Department of Revenue, Sales and Use Tax Division, for the preceding month's liability.

Taxpayers with an average monthly tax liability of \$10,000 or more during the prior calendar year, pay by the 20th of month in which liability occurs an estimated amount no less than the actual tax liability for the same month during the preceding year.

## **Distribution**

\$14,600,000 – Special Mental Health Trust Fund.

Remainder – Education Trust Fund.

## **2.2% Utility License Tax**

### **Authority**

Sections 40-21-50 through 40-21-51, and 40-21-53, Code of Alabama 1975.

### **Basis**

License tax for operating a public utility (hydroelectric, water, electric, gas, other public utility, or privately owned and operated wastewater facility).

### **Rate**

2.2% on each dollar of gross receipts.

### **Payment**

File Form FT 5-7 with the Alabama Department of Revenue, Sales and Use Tax Division, on or before October 14, annually. Payment based on gross receipts for the preceding year due in one-fourth increments on October 1, January 1, April 1, and July 1.

### **Distribution**

85% – Special Mental Health Fund.

15% – General Fund.

## **Wholesale Oil/Import License Fee**

### **Authority**

Section 40-17-174, Code of Alabama 1975.

### **Basis**

All diesel fuel that is sold across the rack at a terminal within this state and all diesel fuel imported into Alabama are subject to the fee.

### **Exemptions**

Section 40-17-174

Diesel fuel exported from Alabama for which proof of export is available in the form of a terminal issued shipping document is exempt from this fee.

Transmix

Biodiesel sold to a licensed supplier at the terminal is exempt from this fee.

### **Rate**

\$.0075 per gallon of diesel fuel.

### **Payment**

By October 14, file and remit the amount due to the Alabama Department of

Revenue, Business and License Tax Division, Motor Fuels Section.

**Distribution**

General Fund.

# **Agency Directory for Tax Account Numbers**

## **State Sales, Use, Income Tax Withholding, Rental and Lodgings Tax Numbers, Name and/or Address Changes**

Electronic Combined Registration/Application  
are available on the department's website at:

[myalabamataxes.alabama.gov](http://myalabamataxes.alabama.gov)

## **Unemployment Compensation Tax Number**

Alabama Department of Labor  
Industrial Relations Building  
Status Unit, Rm. 4201  
649 Monroe Street  
Montgomery, AL 36131  
334-242-8830

## **Federal Employer Identification Tax Number**

Internal Revenue Service  
1-800-829-3676  
Call and ask for Form SS-4 to apply for  
federal employer identification tax number.

# Department of Revenue Tax Calendar

Due Date	Tax Activity	
January	1	Quarterly Dry Cleaning Trust Fund Fee return and payment due. Utility license (2.2%) second quarterly payment due.
	10	Quarterly Hospital Assessment for Medicaid Tax due. Note: Act 2011-615 changed the due date of the quarterly Hospital Assessments to the tenth working day of each quarter.
	15	Fourth installment of estimated personal income tax due.
	20	Quarterly, semi-annual, and annual sales tax return and payment due.
		Quarterly, semi-annual, and annual use tax return and payment due.
		Quarterly, semi-annual, and annual rental or leasing tax return and payment due.
		Quarterly, semi-annual, and annual transient occupancy (lodgings) tax return and payment due.
		Quarterly Solid Waste Disposal Fee return and payment due.
		Compressed Natural Gas Personal Producer Application Fee
	30	Quarterly forest products' severance tax return and payment due.
	31	Quarterly withholding return and payment due from employer.
		Quarterly IFTA tax return and payment due.
		Quarterly NPM payment due into escrow.
		Annual Terminal Operator return and/or payment due.
		Quarterly Construction Employer Fee due.
		Annual withholding return due.
	February	10
March	1	Freight line equipment return due.
		Public utility property tax return delinquent after this date.
	15	Corporate income tax return and information return due (for calendar-year taxpayers).
		Business Privilege Tax return.
22	Quarterly NPM bond due.	
April	1	Annual Dry Cleaning Trust Fund Fee return and payment due by wholesalers of dry cleaning agents.
		Quarterly Dry Cleaning Trust Fund Fee return and payment due.
		Utility license (2.2%) third quarterly payment due.
	10	Quarterly Hospital Assessment for Medicaid Tax due.
	15	Annual NPM payment due into escrow.
		Estimated personal income tax and first installment due.
		Financial institutions' excise tax return and payment due.
		Business Privilege tax return due for limited liability entities.

<b>Due Date</b>		<b>Tax Activity</b>	
April	15	First installment of estimated corporate income tax due (for calendar-year taxpayers).	
		Note: Other fiscal-period taxpayers pay their corporate estimated tax on the 15th day of the fourth, sixth, ninth, and twelfth months of their tax year and file their return on the 15th day of the third month following the close of their tax year.	
		Partnership income tax return due.	
		Personal income tax return and payment due.	
	20	Quarterly sales tax return and payment due.	
		Quarterly use tax return and payment due.	
		Quarterly rental or leasing tax return and payment due.	
		Quarterly filing for transient occupancy (lodgings) tax return and payment due.	
		Quarterly Solid Waste Disposal Fee return and payment due.	
	30	Annual TPM certification due.	
		Annual NPM certification and bank verification due.	
		Quarterly forest products' severance tax return and payment due.	
		Quarterly NPM payment due into escrow.	
		Quarterly withholding return and payment due from employer.	
		Quarterly IFTA tax return and payment due.	
	Quarterly Construction Employer Fee due.		
	May	10	Quarterly NPM certification and bank verification due.
June	15	Second installment of estimated corporate income tax due (for calendar-year taxpayers).	
		Second installment of estimated personal income tax due.	
	22	Quarterly NPM bond due.	
July	1	Quarterly Dry Cleaning Trust Fund Fee return and payment due.	
		Utility License (2.2%) fourth quarterly payment due.	
	10	Quarterly Hospital Assessment for Medicaid Tax due.	
	20	Quarterly and semi-annual sales tax return and payment due.	
		Quarterly and semi-annual use tax return and payment due.	
		Quarterly and semi-annual rental or leasing tax return and payment due.	
		Quarterly and semi-annual transient occupancy (lodgings) tax return and payment due.	
			Quarterly Solid Waste Disposal Fee return and payment due.
	30	Quarterly forest products' severance tax return and payment due.	
	31	Quarterly NPM payment due into escrow.	
		Quarterly withholding return and payment due from employer.	
		Quarterly IFTA tax return and payment due.	
Quarterly Construction Employer Fee due.			

<b>Due Date</b>		<b>Tax Activity</b>
August	10	Quarterly NPM certification and bank verification due.
September	15	Third installment of estimated corporate income tax due (for calendar-year taxpayers).
		Third installment of estimated personal income tax due.
September	21	Quarterly NPM bond due.
	25	Hydroelectric gross receipts' return and payment due.
October	1	Property tax on real and personal property due.
		Automotive dismantlers and parts recyclers' license due.
		Business privilege license fee due.
		Quarterly Dry Cleaning Trust Fund Fee return and payment due.
		Manufactured home registration and fee due.
		Motor vehicle dealer, rebuilder, wholesale, and off-site sales licenses due.
		Store and chain store license tax due.
		Utility license (2.2%) return and first quarterly payment due.
	10	Quarterly Hospital Assessment for Medicaid Tax due.
	14	Annual wholesale oil/import license fee return and payment due.
	20	Quarterly sales tax return and payment due.
		Quarterly use tax return and payment due.
		Quarterly rental or leasing tax return and payment due.
		Quarterly filing for transient occupancy (lodgings) tax return and payment due.
		Quarterly Solid Waste Disposal Fee return and payment due.
		Quarterly forest products' severance tax return and payment due.
	31	Quarterly NPM payment due into escrow.
		Quarterly withholding return and payment due from employer.
		Quarterly IFTA tax return and payment due.
		Quarterly Construction Employer Fee due.
		Annual business privilege licenses delinquent after this date.
Store and chain store licenses delinquent after this date.		
November	10	Quarterly NPM certification and bank verification due.
	30	Last day to register and pay fee for manufactured homes without penalty.
December	15	Fourth installment of estimated corporate income tax due (for calendar-year taxpayers).
	22	Quarterly NPM bond due.
	31	Property tax on real and personal property delinquent after this date.
		Expiration of the previous calendar year's motor fuel identification markers.
		Property Tax Assessments Delinquent after this date.

<b>Due Date</b>		<b>Tax Activity</b>
December	31	Last day to claim Exemptions/Abatements on Ad Valorem tax assessments.
		IFTA License and Decals renewal due. Licensees can operate with previous year decals during grace period through end of February of the following year.

# Required Monthly Returns

Day	Tax Activity
10	Tobacco use tax return and payment due.
	Monthly Jenkins Act Report
15	Motor carrier mileage tax return and payment due.
	Oil and gas production tax and privilege tax return and payment due the second month following the month of production.
	Withholding return and payment due from those employers required to remit on a monthly basis.
20	Alabama Uniform Natural Minerals Tax return and payment due.
	Coal severance tax return and payment due.
	Coal transporters' and purchasers' returns due.
	Compressed Natural Gas (CNG)/Liquefied Natural Gas (LNG) return and payment due
	Contractors gross receipts tax return and payment due.
	Inspection Fee return and payment due.
	Local solid minerals tax returns and payments due.
	Lubricating oils tax return and payment due.
	Medicaid-related tax return and payment due for nursing facilities.
	Medicaid tax return and payment due from pharmaceutical service providers.
	Mobile telecommunication services tax return and payment due.
	Pari-mutuel pool tax return and payment due.
	Prepaid Wireless 9-1-1 Charge return and payment due.
	Rental or leasing tax (state and local) return and payment due.
	Sales tax (state and local) return and payment due.
	Schedule D (NPM Cigarette Activity) report due. Scrap Tire Environmental Fee return and payment due.
	Simplified Sellers Use Tax, Tobacco tax (state and county) return, reports and payment due.
	Transient Occupancy (Lodgings) tax (state and local) return and payment due.
	Underground and aboveground storage tank trust fund charge due.
	Use tax (state and local) return and payment due.
	Utility gross receipts tax return and payment due.
	Blender return and payment due.
	Exporter return due.
Importer return due.	
Supplier/Permissive Supplier return and payment due.	
30	Hazardous waste fee return and payment due.
Last day of Month	State horse wagering fee return and payment due.
	Terminal Operator return due.
	Transporter return due.



## Distribution of State Taxes/Fees Collected

DIV	TAX SOURCE	GENERAL	EDUCATION	ROAD & BRIDGE	COUNTIES
IT	Alabama Accountability Act				
BLT	Alabama Uniform Natural Minerals Tax				
MV	Automotive Dismantler & Parts Recycler License	ALL			
BLT	Aviation Fuel Tax				
IT	Business Privilege Tax	(1)			(1)
BLT	Coal Severance Tax	(39)			(14) (39)
BLT	Compressed Natural Gas (CNG)/ Liquefied Natural Gas (LNG)			NET	
ST	Contractor's Gross Receipts Tax				
IT	Corporate Income Tax	(4)	BAL (4)		
PT	Deeds & Assignments	38.461% (33)	46.154% (33)		
ST	Dry Cleaning Trust Fund Fee				
IT	Estate Tax	ALL			
IT	Financial Institutions' Excise Tax	50%			16.7%
BLT	Forest Products' Severance Tax				
PT	Freight Line & Equipment Tax	ALL			
BLT	Gasoline Tax			(3)	(3)
BLT	Hazardous Waste Fee	(22)			(22)
BLT	Horse Wagering Fee	ALL			
ST	Hospital Assessment for Medicaid				
ST	Hydro-Electric K.W.H. Tax		42%		
IN	Illegal Drug Tax	ALL			
IT	Income Tax	(4)	BAL (4)		
BLT	Inspection Fee			(37)	(37)
BLT-Business & License Tax; FO-Financial Operations; IT-Individual & Corporate Tax; IN-Investigations; MV-Motor Vehicle; PT-Property Tax; ST-Sales & Use Tax					

## by the Alabama Department of Revenue

CITIES	MENTAL HEALTH	HEALTH	CONSERVATION	HUMAN RE- SOURCES	OTHER
					(36)
					(28)
					(17)
(14)					(39)
	85%				(24)
				15.385% (33)	
					ALL
33.3%					
					(2)
(3)			(3)		(3)
					(22)
					(31)
	58%				
(37)					(37)

## Distribution of State Taxes/Fees Collected

DIV	TAX SOURCE	GENERAL	EDUCATION	ROAD & BRIDGE	COUNTIES
MV	International Fuel Tax Agreement			(16)	(16)
MV	International Registration Plan			(13)	(13)
BLT	Local Solid Minerals Tax				
BLT	Lubricating Oils Tax	(7)		(7)	(7)
MV	Mandatory Liability Insurance (MLI)	(30)			
MV	Manufactured Home Title & Cancellation Fee	ALL			
ST	Mobile Telecommunications Services Tax	(25)	(25)		
MV	Motor Carrier Fuel Tax			(16)	(16)
BLT	Motor Carrier Mileage Tax			BAL (5)	
BLT	Motor Fuels (Diesel)			(27)	(27)
MV	Motor Vehicle Dealer Licenses	ALL			
MV	Motor Vehicle Registration Fee			(13)	(13)
MV	Motor Vehicle Title Fee	ALL			
ST	Nursing Facility Tax				
BLT	Oil and Gas Privilege Tax	(6)			(6)
BLT	Oil and Gas Production Tax (2%)	ALL			
BLT	Pari-Mutuel Pool Tax	ALL			
ST	Pharmaceutical Providers Tax				
ST	Prepaid Wireless 9-1-1 Charge				
ST	Rental or Leasing Tax	ALL			
ST	Sales Tax	(19)	BAL		\$378,000
IN	Rebuilt (Salvage) Vehicle Inspection Fee				

BLT-Business & License Tax; FO-Financial Operations; IT-Individual & Corporate Tax; IN-Investigations; MV-Motor Vehicle; PT-Property Tax; ST-Sales & Use Tax

## by the Alabama Department of Revenue

CITIES	MENTAL HEALTH	HEALTH	CONSERVATION	HUMAN RE- SOURCES	OTHER
(16)					(18)
(13)					(18)
					(28)
(7)					
					(30)
					(35)
					(25)
(16)					
(27)					(27)
(13)					
					(21)
(6)					
					(21)
					(34)
				\$1,322,000	
					(15)

# Distribution of State Taxes/Fees Collected

DIV	TAX SOURCE	GENERAL	EDUCATION	ROAD & BRIDGE	COUNTIES
IT	Rehabilitation, Preservation & Development of Historic Structures Credit		(40)		
BLT	Scrap Tire Environmental Fee				
ST	Simplified Sellers Use Tax				
BLT	Solid Waste Disposal Fee				
BLT	State Horse Wagering Fee	ALL			
BLT	Store & Chain Store License		ALL		
BLT	Tobacco Products (Cigarettes) Tax	66.67% (29)			
BLT	Tobacco Products (Tobacco) Tax	ALL			
ST	Transient Occupancy (Lodgings) Tax	(12)			(12)
FO	TVA Electric	BAL			(8)
BLT	Underground & Aboveground Storage Tank Trust Fund Charge	(23)			
ST	Use tax	(20)	BAL		
ST	Utility Gross Receipts Tax		BAL		
ST	Utility License Tax (2.2%)	15%			
BLT	Wholesale Oil/Import License Tax	ALL			
BLT-Business & License Tax; FO-Financial Operations; IT-Individual & Corporate Tax; IN-Investigations; MV-Motor Vehicle; PT-Property Tax; ST-Sales & Use Tax					

## by the Alabama Department of Revenue

CITIES	MENTAL HEALTH	HEALTH	CONSERVATION	HUMAN RE- SOURCES	OTHER
					(40)
					(26)
					(38)
					(32)
	12.12% (29) (9)	9.09% (29) (10)	6.06% (29)	6.06% (29)	
					(12)
				(23)	
	\$14,600,000				
	85%				

- 1) A portion of the Business Privilege Tax will be distributed to each county and the remainder will go to the General Fund.
- 2) 100% Special State Forestry Fund administered by the State Forestry Commission.
- 3) Gasoline has a total 24-cent per gallon tax (effective September 1, 2019) levy comprised of a 7-cent levy, 5-cent supplemental levy, a 6-cent levy and a \$.06 levy. 1 and 23/100% of net collections of the 12-cent tax levy (7-cent and 5-cent supplemental tax levy) goes to Conservation (60% of the 35/100% to the State Water Safety Fund and 40% of the 35/100% to the Seafood Fund; 70/100% to the Game and Fish Fund; 60% of 18/100% to the State Water Safety Fund and 40% of the 18/100% to the Seafood Fund). The distribution to the Game and Fish Fund (70/100%) and the additional distribution to the Water Safety Fund and the Seafood Fund (18/100%) are deducted from the funds allocated to the State Road and Bridge Fund. These credits cannot diminish the allocations provided to the counties. Original 7-cent levy - 45% of net tax proceeds goes to the State Road and Bridge Fund and 55% of the net tax proceeds goes to the 67 counties of which 10% of the counties' share is distributed to the cities. Supplemental 5-cent tax - 3/5 of the net tax proceeds goes to the State Road and Bridge Fund and 2/5 is distributed as follows: 45% State Road and Bridge Fund and 55% to counties of which 10% of the counties' share is distributed to the cities. Additional 6-cent tax levy - 2/3 of net collections (45% goes to the State Road and Bridge Fund and 55% goes to counties of which 10% of the counties' share is distributed to the cities). 1/3 of net collections distributed to the Inspection Fee Fund which is further distributed by the State Treasurer as follows: 5% or no less than \$175,000, whichever is greater, to the Agricultural Fund, (a) 13.87% of balance of proceeds distributed equally to the counties, (b) \$408,981 distributed to Department of Transportation Public Road and Bridge Fund, (c) 2.76% of balance of proceeds allocated amount the incorporated municipalities, (d) 5% if balance of proceeds after distributions to (a) and (c) is distributed to Agricultural Fund, (e) 2½% of balance of proceeds after (a), (b), (c), and (d) or no less than \$87,500, whichever is greater, is distributed to the Department of Revenue, and (f) balance after (a), (b), (c), (d), and (e) is distributed to the Department of Transportation Public Road and Bridge Fund, as provided in Section 8-17-91, Code of Alabama, 1975; ; Act 2019-2 – Rebuild Alabama \$.06 tax levy - 0.25% ADOR Administrative Fee, \$750,000 Alabama Highway Finance Corporation, 66.67% Department of Transportation (Rebuild Alabama Fund), 25% Counties (45% equal share and 55% population ratio) and 8.33% Cities (25% equal share and 75% population ratio).
- 4) Portion necessary to reimburse the Property Tax Relief Fund for homestead exemptions. Balance to Education Trust Fund.
- 5) Administrative cost to Public Service Commission.
- 6) Onshore Production: 25% General Fund; 75% balance distributed as follows: 66-2/3% distributed as follows: 25%, counties severed; 10%, cities severed; 50% of the first \$150,000 remaining to General Fund; 42.5%, counties severed; and 7-1/2%, cities. Remainder of 66-2/3%: 84%, General Fund; 14% counties served, 2%, cities; 16-2/3%, General Fund; 16-2/3%, counties

- served. Offshore Production: 90%, General Fund; 10%, counties served.
- 7) 1935 Act - \$.02 to the General Fund; 1980 Act - \$.04: 45%, State Road and Bridge Fund; 55% to counties (10% of which is distributed to the cities).
  - 8) TVA served counties, 75%; Dry non-TVA served counties, 5%.
  - 9) Mental health facility construction; balance - 30%, Health; 70%, Mental Health.
  - 10) Debt service of IDA bonds; balance - 36%, Health; 64%, Mental Health.
  - 11) At the Revenue Commissioner's discretion, the commissioner shall cease to make deposits to the General Fund so as to maintain the trust fund in which to make payment of claims. The trust fund shall retain an amount not greater than \$1,000,000. Persons dying intestate and leaving unclaimed funds: such funds go to Public School Fund.
  - 12) 75% of 4% tax to the General Fund. 25% of 4% tax to Alabama Bureau of Tourism and Travel. 50% of 1% tax to Alabama Mountain Lakes Association. 50% of 1% tax to Alabama Mountain Lakes counties.
  - 13) Base fee distribution: 2.5% commission to licensing official, 5% Public Road and Bridge Fund, 72% Public Road and Bridge Fund, 21% city or county, 7% cities and counties. Additional fee distribution: 64.75% Public Road and Bridge Fund, 35.25% counties.
  - 14) 0.20 monies: coal or lignite severed within police jurisdiction or municipal limits as they existed on Jan. 1, 1977: 50%, municipality where severed and 50%, county where severed. Coal or lignite severed other than within police jurisdiction or municipal limits: 100%, county where severed. \$0.135 monies: State Mining Academy, State Docks Bulk Hand Facility Trust Fund, various counties and other agencies per Section 40-13-6 (Refer to 39)
  - 15) Administrative cost to Alabama Department of Revenue for Rebuilt (Salvage) Vehicle Inspection Program.
  - 16) That portion attributable to the use of gasoline shall be distributed in the manner of the gasoline tax. That portion attributable to the use of diesel fuels shall be distributed in the manner of the diesel fuels tax.
  - 17) Department of Transportation – Aeronautics Division.
  - 18) Prorated to participating states.
  - 19) Sales tax on automotive vehicles - 58%, Education Trust Fund; 42%, General Fund. Discount cap revenues to state parks and Foster Children Program.\*
  - 20) Use tax on automotive vehicles - 58%, Education Trust Fund; 42%, General Fund. Discount cap revenues to Department of Conservation and Natural Resources.\* All other use tax – 53%, General Fund; 47%, Education Trust Fund.
  - 21) Alabama Health Care Trust Fund.
  - 22) Distribution of funds based upon the waste type. Note: General fund distributions are also subject to a county guarantee. \$5.50 RCRA/PCB and All Other Wastes – will be used to meet the annual guarantee amount of \$4.2M to the county. After the \$4.2M is met, any remaining amounts are to be split 50/50 between the General Fund and the county. \$1.00/ton – All to Alabama Hazardous Substance Cleanup Fund.
  - 23) 100% to the Alabama Underground and Aboveground Trust Fund.
  - 24) 15% to the Pensions and Security Trust Fund.

- 25) Appropriated amount for annual payment of principal and interest due to outstanding Alabama Revolving Loan Fund Authority bonds. \$1.5 million to Special Education Trust and remainder to the General Fund.
- 26) 100% to the Department of Environmental Management – Scrap Tire Fund.
- 27) 100% of 13-cent levy – Road and Bridge Fund; 4.69% of 6-cent levy – distributed equally among the 67 counties; .93% of 6-cent levy – distributed to incorporated municipalities as provided in § 8-17-91(a)(2)c; Remainder of 6-cent levy – Road and Bridge Fund; Act 2019-2 – Rebuild Alabama \$.06 tax levy - 0.25% ADOR Administrative Fee, \$230,000 Alabama Highway Finance Corporation, 66.67% Department of Transportation (Rebuild Alabama Fund), 25% Counties (45% equal share and 55% population ratio) and 8.33% Cities (25% equal share and 75% population ratio).
- 28) Counties where severance occurs.
- 29) Of 100% collected: 75.56% - Medicaid, with up to \$2 million to local governments to defray the cost of obtaining and affixing stamps. Of the remaining 24.44%: 66.67% to General Fund; 9.09% to Health; 12.12% to Mental Health; 6.06% to Parks (Conservation); 6.06% to Welfare (Human Resources).
- 30) From the net proceeds the Department of Revenue receives, 15% is distributed to the Alabama Peace Officers' Annuity and Benefit Fund. Administrative costs for the MLI program are paid and any remaining funds are distributed to the General Fund.
- 31) 100% to Medicaid.
- 32) 25% to the Alabama Recycling Fund; 25% to the Solid Waste Fund; 45% to the Alabama Department of Environmental Management; 4% Administrative Collection Allowance for owners and operators; 1% Administrative Collection Allowance for the Department of Revenue.
- 33) All property taxing jurisdictions receive their proportional share of the taxes, fees, and interest upon the sale of tax delinquent property. State portion of funds: General Fund receives 38.461% for costs, and interest on the costs; Education Trust Fund receives 46.154% and Human Resources receives 15.385%.
- 34) Commercial Mobile Radio Services Board and, upon the effective date of the statewide 9-1-1 charge, to the statewide 9-1-1 Board.
- 35) Additional \$5 issuance fee is distributed to the Alabama Housing Foundation.
- 36) The Commissioner of Revenue will annually distribute the funds in the Failing Schools Income Tax Credit Account, set up in the Education Trust Fund, to qualifying parents.
- 37) Inspection fee collections less refunds are distributed by the State Treasurer as follows: 5% or no less than \$175,000, whichever is greater, to the Agricultural Fund, (a) 13.87% of balance of proceeds distributed equally to the counties, (b) \$408,981 distributed to Department of Transportation Public Road and Bridge Fund, (c) 2.76% of balance of proceeds allocated among the incorporated municipalities, (d) 5% of balance of proceeds after distributions to (a) and (c) is distributed to Agricultural Fund, (e) 2 ½% of balance of proceeds after (a), (b), (c), and (d) or no less than \$87,500, whichever is greater, is distributed to the Department of Revenue, and (f) balance after (a),

(b), (c), (d), and (e) is distributed to the Department of Transportation Public Road and Bridge Fund, as provided in Section 8-17-91, Code of Alabama, 1975.

- 38) 50% to the state: 75% General Fund; 25% Education Trust Fund; 50% to local governments within the state: 50% to the counties; 50% to the cities.
- 39) Applied to credit of Alabama State Docks Bulk Handling Facility Trust Fund to meet annual interest and bond retirement requirements. Balance distributed as follows: \$300,000, Alabama Mining Academy; \$500,000, Jefferson County General Fund; \$500,000, Tuscaloosa County General Fund; \$200,000, Walker County Economic and Industrial Development Authority; remainder, General Fund. Additional monies levied distributed to the Surface Mining Commission. (Expired August 1, 2019).
- 40) The Commissioner of Revenue will annually distribute the funds in the Historic Preservation Income Tax Credit Account, set up in the Education Trust Fund, to qualifying owners or transferees of the certified rehabilitation of historic structures.
- \* Note: For the 2013-2014 fiscal year and for all fiscal years thereafter, monies remaining after payment of servicing the State Dock's bonds, or any anticipated deficiencies in operating the docks shall be distributed as follows: \$300,000 Alabama Mining Academy; 60% transferred by Department of Revenue to the general fund of the county of severance based on the ratio of the \$.135 per ton coal severance tax collections from within the county to the total coal severance tax collections, except those sent to the Walker County Economic and Industrial Development Authority; provided, however, \$500,000 to the Jefferson County General Fund; \$100,000, Community Development Foundation, Inc.; \$50,000 Marion County Community Development Association, Inc.; \$50,000, West Alabama Development Association of Fayette County; \$100,000, West Alabama Economic Development Association; \$100,000, Winston County General Fund; remainder, General Fund.
  - \* Effective October 1, 2002, the lesser of \$500,000 or entire amount to Human Resources. Balance to Department of Conservation and Natural Resources.

# Revenue Legislation

## General Revenue Related Acts

### 2019 First Special Session

#### ***Act 2019-2***

#### ***Rebuild Alabama Act***

*License Tax and Registration Fees on Electric and Plug-in Hybrid Vehicles:* This act amends Section 40-12-242, to provide for an annual license tax and registration fee of \$200 on each battery electric vehicle operated on the public highways of this state, and an annual license tax and registration fee of \$100 on each plug-in hybrid electric vehicle operated on the public highways of this state. Beginning on July 1, 2023, and every fourth year thereafter, the additional license tax and registration fee shall increase by \$3. The annual battery electric vehicle fee shall be reduced by the amount of any future additional annual federal surcharge or registration fee placed on a battery electric vehicle and the annual plug-in hybrid electric vehicle fee shall be reduced by the amount of any future annual federal surcharge or registration fee placed on a plug-in hybrid electric vehicle.

The first \$150 collected from the annual license tax and registration fee on each electric vehicle and the first \$75 collected from the annual license tax and registration fee on each plug-in hybrid electric vehicle shall be distributed as follows:

- 66.67% to the state.
- 25% to the counties.
- 8.33% to the cities.

The remainder shall be deposited in the Rebuild Alabama Fund and shall be used by the State Department of Transportation to fund electric vehicle transportation charging infrastructure through the Electric Transportation Infrastructure Grant Program until the total annual registrations of battery electric vehicles plus plug-in hybrid electric vehicles exceed 4% of the total annual registrations. Thereafter, the annual license taxes and registration fees shall be reduced by \$150 and \$75 respectively and the receipts shall be deposited into the Rebuild Alabama Fund and distributed as follows:

- 66.67% to the state.
- 25% to the counties.
- 8.33% to the cities.

*Fuel Excise Tax Increases:* This act provides for an additional excise tax imposed on each net gallon of gasoline and diesel fuel:

Effective August 31, 2019 – 6 cent per gallon excise tax increase.

Effective October 1, 2020 – 2 cent per gallon excise tax increase, for total of 8 cents.

Effective October 1, 2021 – 2 cent per gallon excise tax increase, for total of 10 cents.

Beginning October 1, 2023, and on July 1 each year thereafter, the excise tax shall be adjusted by the percentage change in the yearly average of the National

Highway Construction Cost Index (NHCCI) rounded to the nearest whole cent. The maximum annual increase or decrease shall not exceed 1 cent. The net proceeds, after the cost of collection and distribution to the Alabama Highway Finance Corporation, shall be distributed as follows:

- 66.7% to the state.
- 25% to the counties (45% equally and 55% based on population).
- 8.33% to the cities (25% equally and 75% based on population).

*Effective Date: March 12, 2019*

# **General Revenue Related Acts**

## **2019 Regular Session**

### ***Act 2019-52 (HB 289)***

#### ***Economic Development Exemption***

This act provides that an economic development professional is not a lobbyist, unless and until they seek incentives through legislative action in the Legislature that are above and beyond, or in addition to, the then current statutory or constitutional authorization.

*Effective Date: April 19, 2019*

### ***Act 2019-89 (HB 155)***

#### ***Clarification on the Sourcing of State and Local Rental Tax***

This act amends Section 40-12-222 to provide for clarification of the sourcing of state and local rental tax. For tangible personal property other than automotive vehicles required to be registered, the rental levy shall be determined based on where the property is delivered or picked up. For automotive vehicles required to be registered, each lease payment shall be considered a separate lease transaction. The rental tax levy on any nonrecurring gross proceeds due at the inception of the lease of an automotive vehicle shall be determined based on the location of the dealer where the lease was initiated. The rental tax levy on the other gross proceeds on an automotive vehicle shall be determined based on the garage address of the lessee as provided to the county licensing official.

*Effective Date: July 1, 2019*

### ***Act 2019-101 (HB 203)***

#### ***Taxpayer Bill of Rights Updates***

This act authorizes the Department of Revenue to appoint from among its existing employees additional taxpayer advocate officers to assist Alabama taxpayers. The act also expands the department's authority to enter into installment payment agreements to pay outstanding tax liabilities for which a final assessment has been entered.

*Effective Date: May 7, 2019*

### ***Act 2019-129 (HB 278)***

#### ***Fleet Online Registration and Tax System***

This act requires the Department of Revenue to develop, maintain, and administer a fleet online registration and tax system (FORT System). The FORT System will allow fleet operators to register or renew fleet vehicle registrations electronically. The act also establishes a FORT System Advisory Committee to ensure that the local taxing jurisdictions and taxpayers have meaningful input into the development and operation of the FORT System. The act authorizes only the initial registration and renewals through the FORT System of qualified fleet vehicles, as defined in the act. The act, however, authorizes the department to expand the system through the Administrative Procedures Act rule-making process to include registration renewals of other types of fleet vehicles. Each local taxing jurisdiction that levies a millage rate must submit these rates to the department by December 1 of each year. The ad valorem taxes collected

through the system for a fleet vehicle will be collected at the rates levied in the jurisdictions in which the vehicle is based. The ad valorem taxes collected by the department will be distributed to the counties so that each county can allocate the funds to the local taxing authorities as prescribed by law. All vehicles registered through the system will be issued a five-year distinctive fleet tag. Proof of current year registration must be maintained in the vehicle or provided electronically to its driver.

*Effective Date: May 08, 2019*

***Act 2019-138 (SB 208)***

***Alabama Association of Realtors Distinctive License Plate Proceeds Update***

This act redirects the distribution of the net proceeds of the sale of the Alabama Association of Realtors distinctive license plates from the Children's Trust Fund to the Alabama Realtors Foundation.

*Effective Date: January 1, 2020*

***Act 2019-158 (HB 219)***

***Proceeds from the Sales of Abandoned Motor Vehicles Updated to General Fund of Class 2 Municipality that Operates an Impound Facility***

This act provides that any Class 2 municipality (a municipality with a population of not less than 175,000 and not more than 299,999 inhabitants) that owns and operates an impound facility and sells abandoned motor vehicles at public auction may retain the remaining balance of the proceeds after the deduction of reasonable repairs, and storage expenses, and deposit the proceeds into the general fund of the municipality in lieu of the balance being paid to the county licensing official and deposited into the county general fund.

*Effective Date: May 13, 2019*

***Act 2019-164 (HB 163)***

***Motor Fuel Emergency Waiver Authority and Informational Reporting and Licensing of Rental Transactions of Class II and IV Property***

This act provides that the Department of Revenue may temporarily waive the motor fuel importer, exporter, or transporter licensing requirements during a state of emergency or disaster for persons importing, exporting, or transporting motor fuel to areas within a state or territory of the United States for which the President of the United States or the governor of the state or territory has declared a state of emergency or disaster. This act also authorizes the department to require reporting of rental transactions of tangible personal property of Class II and Class IV property by persons facilitating the transactions, and to require notifications to the lessor when the lessor has not furnished evidence that it has acquired a rental tax license as required by law.

*Effective Date: May 14, 2019*

***Act 2019-184 (SB 123)***

***Income Tax Refund Debt Set-offs***

This act relates to the income tax refund set off debt collection program and clarifies that the sums of money collected on behalf of a claimant agency by

entities otherwise authorized by law to collect those sums are considered debts for purposes of the set off debt collection program. The act updates the current definition of debt under Section 40-18-100 and does not have an impact on the Department of Revenue.

*Effective Date: May 15, 2019*

***Act 2019-233 (HB 41)***

***Regulation of Retail Sales of Alternative Nicotine Devices by the Alabama Alcoholic Beverage Control Board***

This act provides for the regulation of the retail sales of alternative nicotine devices and requires any person who distributes electronic nicotine delivery systems or alternative nicotine products in the state to obtain a permit from the Alabama Alcoholic Beverage Control Board (ABC Board). Selling or offering for sale electronic nicotine delivery systems or alternative nicotine products without obtaining and displaying a valid permit within 90 days after the effective date of the act shall be a Class C misdemeanor. Each violation for selling electronic nicotine delivery systems or alternative nicotine products shall be treated as a separate offense. The first violation shall be punishable by a fine of not less than \$100, nor more than \$500. Each subsequent violation shall be punishable by a fine of not less than \$500, nor more than \$1,500. The act further provides that any person who sells, barter, exchanges, or gives tobacco, tobacco products, electronic nicotine delivery systems, or alternative nicotine products to any minor shall, on conviction, be fined not less than \$100, nor more than \$300 and may also be imprisoned in the county jail for not more than 30 days.

*Effective Date: August 1, 2019*

***Act 2019-238 (HB 222)***

***Allowance, Bonding, and Administration of Title Service Providers***

This act provides that motor vehicle dealers and designated agents, other than probate judges and license commissioners, may perform their duties through a title service provider. A title service provider must post a \$25,000 surety bond and be authorized by the Department of Revenue to act as an agent for a fee or consideration on behalf of a dealer, a lien holder who appears on a certificate of title, or other persons as prescribed by the department. The act further provides that the department may revoke the authority of a title service provider to act as an agent if the title service provider fails to perform its duties or has been convicted of a felony related to Title 32 or Title 40. The act also provides that no dealer appointed as a designated agent may process title applications on behalf of another dealer unless both are owned by the same entity.

*Effective Date: October 1, 2019*

***Act 2019-239 (HB 226)***

***Manufactured Home Title Transaction Fee Clarification***

This act eliminates the current rolling title exemption for models that are more than 20 years old and provides instead that only manufactured homes designated as 1999 and prior year models are exempt from titling requirements. The act further provides that the existing transaction fee for manufactured home title applications applies on a per unit basis.

*Effective Date: January 1, 2020*

***Act 2019-244 (HB 393)***

***Motor Vehicle Dealer License Reform***

This act provides for a master regulatory dealer license that will be purchased in lieu of the former separate licenses for wholesalers, rebuilders, and new/used dealers. The fee for a master dealer license will be \$25 until September 30, 2020. Beginning October 1, 2020, the master dealer license fee will be equal to the average of the annual dealer license fees in states contiguous to Alabama, rounded to the nearest \$25. The Department of Revenue may adjust the fees once every five years, however the fee cannot exceed the fee levied for the automotive dismantler license, Section 40-12-413, of \$225. The increased fee, if applicable, will be distributed as follows: a minimum of \$25 or 10%, whichever is greater, to the General Fund and the remaining amount appropriated to the department for the inspection, issuance, and enforcement of licensing requirements. The act also provides a 30-day grace period for obtaining a master dealer license and provides for a uniform bond of not less than \$50,000 or an amount as prescribed by the department. Additionally, the act provides that on or after October 1, 2022, the department may establish a bi-annual license in lieu of the annual master dealer license. The fee for the bi-annual license may not exceed double the amount of the annual license. The act updates the dealer license plate provisions, increasing the number of dealer license plates that may be issued to a new dealer from 25 to 35 and decreasing the number of dealer license plates that may be issued to used motor vehicle dealers from 10 to five. New and used dealers may purchase an additional 25 dealer license plates if they complete 300 title applications per license year instead of the previous 1,500 applications. The act also provides that the department will issue dealer license plates rather than county license plate issuing officials. Additionally, the current metal dealer transit license plate provision has been replaced with a temporary seven-day dealer transit plate for \$5 issued by the department to new dealers, used dealers, and rebuilders. A licensed wholesale auction may also purchase a seven-day auction transit plate from the department for \$5. Manufacturer license plates will be issued by the department rather than county licensing officials. The department shall collect an additional issuance fee of \$2 for each dealer and manufacturer license plate and \$5 for temporary plates to be retained by the department to offset the cost of administering this article. The penalty for the misuse of a motor vehicle dealer, motorcycle dealer, manufacturer, auction transit, or dealer transit license plate is increased from \$100 for the first violation to \$200 for the first violation. The act updates the current off-site license provisions by providing for a "Master" off-site license for a facilitator, or their designee, to be issued by the department after payment of an application fee of \$25. A separate off-site facilitator license will not be required if the dealer and the facilitator are the same entity. The department will issue current off-site regulatory license to dealers as well as the master off-site license to the facilitator of the off-site sale. The licenses will be required to be purchased 10 calendar days prior to sale. The penalties linked with violations of the off-site license shall be limited to the current penalty provisions provided under Section 32-8-3 and rules promulgated thereunder for designated agents. The act also enacts a new Article 10 under Chapter 12 of Title 40 to provide that a person may not engage in the business of buying, selling, exchanging, or facilitating the sale of motor vehicles at wholesale without first obtaining a motor vehicle

wholesale auction regulatory license. The fee for the motor vehicle wholesale auction license and the required surety bond shall be the same as the fee and surety bond amount for the master dealer regulatory license. A motor vehicle wholesale auction shall be provided with seven-day temporary auction transit plates to be used strictly for the transit of vehicles to and from auctions.

*Effective Date: October 1, 2020*

***Act 2019-245 (HB 394)***

***Unclaimed and Abandoned Motor Vehicle Updates***

This act extends the unclaimed motor vehicle title hold to 60 calendar days. The bill also provides that a purchaser of an abandoned motor vehicle from a seller who is not a bonded agent is required to post a surety bond pursuant to Section 32-8-36. Additionally, beginning January 1, 2020, any purchaser who does not apply for a certificate of title within one calendar year from the date of the sale shall be subject to posting a bond pursuant to Section 32-8-36.

*Effective Date: January 1, 2020*

***Act 2019-247 (HB 402)***

***Transfer of Distribution Responsibilities to the Department of Revenue for Certain Taxes, Inspection Fees, and Penalties***

This act provides that beginning October 1, 2021, all allocations, disbursements, and distributions made pursuant to Sections 8-17-91, 40-17-223, 40-17-225, 40-17-274, 40-17-259, and 40-17-361, for taxes and fees collected by the Department of Revenue shall be made by the department and not the State Treasurer.

*Effective Date: May 23, 2019*

***Act 2019-253 (HB 383)***

***Filing Frequency Options for Certain Taxpayers Filing Sales, Use, and Lodging Tax Returns***

This act amends Sections 40-23-7, 40-23-68, and 40-26-3 to provide for additional filing frequency options for sales, use, and lodgings tax filers. This act allows for quarterly filing for sales, use, and lodgings tax filers whose annual liability during the preceding year was less than \$2,400. Sales, use, and lodgings tax filers whose annual liability during the preceding year was less than \$1,200 or who operated for no more than two 30-day periods during the preceding year may elect to file semi-annual returns. Sales, use, and lodgings tax filers whose annual liability during the preceding year was less than \$600 or who operated for no more than one 30-day period during the preceding year may elect to file annually. This act also provides that the commissioner may suspend or revoke a license or deny a license application or renewal for reasonable cause.

*Effective Date: August 1, 2019*

***Act 2019-276 (HB 157)***

***Appropriations from the Children First Trust Fund***

This act provides that the sum of \$39,885,565 be appropriated from the Children First Trust Fund for fiscal year ending September 30, 2020, to various entities for the purposes designated in Section 41-15B-2.2. The act provides that all tobacco revenues from the tobacco settlement received by the state previously

designated for the Children First Trust Fund shall be deposited to the Children First Trust Fund within 30 calendar days of receipt. Any additional tobacco revenues available for the fiscal year ending September 30, 2020, shall be conditionally appropriated.

*Effective Date: May 28, 2019*

***Act 2019-278 (HB 176)***

***Extension of the Hospital Assessment Fee Through Fiscal Year 2022***

This act extends the hospital assessment fee through fiscal years 2020, 2021, and 2022 and provides that the amount of the assessment fee is increased to 6% of net patient revenue during fiscal year 2017. The act further provides that net patient revenue will be determined by the 2017 Medicare Cost Report.

*Effective Date: October 1, 2019*

***Act 2019-279 (HB 177)***

***Extension of the Nursing Facilities Supplemental Privilege Assessment***

This act extends the supplemental privilege assessment and monthly surcharge through August 31, 2022.

*Effective Date: May 28, 2019*

***Act 2019-283 (HB 329)***

***Municipal Delivery Business License Cap***

This act amends Section 11-51-194 to provide that the amount of a municipal delivery license shall not exceed \$100 per business. The act further provides that the delivery license shall be calculated in arrears, based on the related gross receipts during the preceding license year.

*Effective Date: May 28, 2019*

***Act 2019- 284 (HB 419)***

***Financial Institution Excise Tax Reform Act of 2019***

This act revises the outdated Financial Institution Excise Tax (FIET) statutes to provide clarity, simplicity, and administrative ease for taxpayers and ADOR alike. The act provides a clear definition of net income, including additions and subtractions to net income for FIET purposes. The act also implements an estimated payment system, which allows for quarterly distributions to the counties, municipalities, and the General Fund (as opposed to the current post-payment and yearly distribution system) and creates more consistency between the Alabama FIET and the Alabama corporate income tax.

*Effective Date: January 1, 2020; operative for tax years beginning after 12/31/2019, except changes to the distribution method, which are effective for the 2019 distributions.*

***Act 2019-285 (HB 420)***

***Financial Institution Data Match***

Allows the Department of Revenue to enter into voluntary agreements with financial institutions doing business or authorized to do business in Alabama to develop and operate a Financial Institution Data Match (FIDM) program. Participating financial institutions are to provide the department, on a calendar quarter basis, identifying information for each delinquent taxpayer that includes

the name, record address, social security number, federal employer identification number, other tax identification number, and other identifying information that may be a part of the records of the financial institution. This act does not expand the department's existing statutory authority regarding the issuance of financial institution garnishments or abrogate or impair existing notice and due process protections afforded to taxpayers and financial institutions in this process. This act also provides taxpayer confidentiality protections by restricting the use of information provided to and by the department for the purposes of the FIDM program.

*Effective Date: May 28, 2019*

***Act 2019-305 (HB 257)***

***Distinctive License Plate Allowance for Public Two-Year Colleges and Technical Schools, Department Oversight of Personalized License Plates, and Annual License Taxes and Registration Fee Distribution Clarification***

This act amends Section 32-6-67, to allow public two-year colleges, previously known as junior colleges, and technical schools the ability to apply for and create a distinctive license plate upon approval from the Legislative Oversight Committee on License Plates. The act further provides that all personalized license plates shall be reviewed by the Department of Revenue to determine whether the requested personalized license plate may be issued or renewed. Any appeal concerning the denial of an issuance or renewal of a personalized license plate shall be to a state circuit court. The act also provides that all proceeds of the annual license taxes and registration fees levied in Act 2019-2 be allocated in the same manner and used for the same purposes as provided in Section 7 of Act 2019-2 of the 2019 First Special Session.

*Effective Date: August 1, 2019*

***Act 2019-320 (HB 338)***

***Homestead Exemptions***

This act permits any person who qualifies for the homestead exemptions in Sections 40-9-19 and 40-9-21 to initially claim the exemption in person, by mail, or electronically, in a manner as prescribed by the tax assessor in each county. Additionally, the act allows those that qualify for the homestead exemption to annually verify eligibility on a form affidavit provided by the tax assessor by mail or electronically.

*Effective Date: May 29, 2019*

***Act 2019-321 (HB 396)***

***Administrative Fee to an Applicant Granted a Tax Abatement under Title 40, Chapter 9B***

This act allows any industrial development board in a Class 1 municipality whose directors are elected by the governing body of the Class 1 municipality to charge an administrative fee, not to exceed 25% of the total investment amount of the project, to an applicant granted a tax abatement under Title 40, Chapter 9B. The administrative fee is to be used by the board for economic or industrial development data mining; data driven economic or industrial development projects; the location, development, or acquisition of potential industrial sites

or industrial parks; and for other lawful purposes for which the industrial development board is authorized to use funds pursuant to §11-54-101.

*Effective: May 29, 2019*

***Act 2019-361 (HB360)***

***Income Tax Exemption for Firefighter Supplemental Insurance Coverage***

This act requires certain fire departments to provide supplemental insurance coverage to pay the claims of a qualifying firefighter who has served 12 consecutive months as a firefighter and who has been diagnosed with cancer, under certain conditions, and would make the same coverage available to certain volunteer firefighters. The act also exempts any payments received by a firefighter from supplemental insurance coverage or premiums paid by the firefighter for the supplemental insurance coverage from state income tax. The exemptions provided by this act are only allowed to the extent the income is included in the taxpayer's federal adjusted gross income and no corresponding federal deduction has been claimed. A career firefighter may elect to be voluntarily excluded from the insurance coverage provided by this act.

*Effective Date: January 1, 2020*

***Act 2019-382 (HB 382)***

***Protection for Eligible Sellers Participating in the Simplified Sellers Use Tax Program (SSUT) Related to Amnesty and Class Action Law Suits***

This act amends Section 40-23-199 to provide amnesty to eligible sellers participating in SSUT for all periods preceding October 1, 2019, for any uncollected remote use tax that may have been due on sales made to purchasers in the state. This act provides that no class action may be brought against an eligible seller in any court in Alabama on behalf of customers for an overpayment of simplified sellers use tax collected and remitted on sales made by the eligible seller. This act provides that simplified sellers use tax shall not be collected and remitted in lieu of the sales and use tax required to be collected by a licensing official pursuant to 40-23-104.

*Effective Date: June 5, 2019*

***Act 2019-387 (SB 308)***

***Exclusion of the Lodgings Tax on Certain Transactions***

This act amends Section 40-26-1 to provide for an exclusion from lodgings tax on transactions entered into on or after October 1, 2019, at marine slips, places or spaces for tent camping, places or spaces provided for motor homes, travel trailers, self-propelled campers or house cars, truck campers, or similar recreation vehicles commonly known as R.V.s, which are supplied for a period of 90 continuous days or more in any place.

*Effective Date: June 5, 2019*

***Act 2019-392 (HB540)***

***Alabama Incentives Modernization Act***

Establishes the "Alabama Incentives Modernization Act" to attract and expand business and technology in targeted rural and low growth areas by amending

existing incentives and proposing new ones. It amends the existing Alabama Jobs Act by reducing the number of required new employees from 25 to 10 for new qualifying projects; increases the number of qualifying counties; and expands the type of organizations, including technology companies, that are eligible for the incentives. Qualifying technology companies are eligible for an additional 2% jobs tax credit. The additional jobs tax credit as provided by this act may be claimed against utility taxes or refunded to the entity, regardless of the amount of utility taxes paid. Additionally, this act provides Alabama taxpayers the same tax benefits available under federal law when they invest in qualified projects in low income areas in Alabama and nationwide that are designated as “qualified opportunity zones” (QOZs). Additionally, the act provides an impact investment credit to incentivize investments in QOZs. The fund’s investors would be eligible to claim the impact investment credit against income tax and financial institution excise tax. The Alabama Department of Economic and Community Affairs (ADECA) is tasked with certifying the new impact investment credits.

*Effective Date: August 5, 2019*

***Act 2019-418 (HB 489)***

***Emergency Medical Service Provider Distinctive License Plate***

This act provides for the creation of a distinctive license plate for an emergency medical services provider (EMSP). An EMSP is a paramedic, emergency medical technician - intermediate, advanced emergency medical technician, or emergency medical technician - who is currently licensed with the Alabama Department of Public Health, Office of Emergency Medical Services. The distinctive license plate will be available to an active, currently licensed EMSP upon application to the local licensing official and proof of licensure as an EMSP. The distinctive plate shall be available beginning January 1, 2020, and shall only be used for personally owned private passenger vehicles, including station wagons and pick-up trucks. Recipients of the distinctive EMSP license plate must pay the regular registration fees of \$15 to \$105, depending on the type of vehicle being registered, and all applicable ad valorem taxes. An individual who falsely certifies or obtains a distinctive EMSP license plate shall be guilty of a Class C misdemeanor.

*Effective Date: September 1, 2019*

***Act 2019-444 (HB 390)***

***Exemption of Certain Sales of Adaptive Equipment from Sales and Use Taxes***

This act amends Section 40-23-4 to provide for an exemption from sales and use taxes of the gross proceeds from the initial retail sales of adaptive equipment that is permanently affixed to a motor vehicle. To qualify for the exemption, the adaptive equipment must be separately stated to the customer on a bill of sale, invoice, or like memorialization of the transaction.

*Effective Date: September 1, 2019*

***Act 2019-446 (HB 302)***

***Mandatory Liability Insurance Law Updates***

Alabama’s Mandatory Liability Insurance (MLI) law provides that continuous liability insurance must be maintained on the registered motor vehicle. This act eliminates the mandatory four-month suspension of a vehicle’s registration upon a second or subsequent violation of this requirement. The act also reduces the current look-back period for the enhanced reinstatement fee upon a second or subsequent violation from four years to the current registration period, plus the preceding two registration periods. Registrants seeking to claim an exemption from the reinstatement fee on the grounds that the registered vehicle was stored or inoperable must surrender their registration and license plate within 30 days from the date of notice of non-compliance. Absent this surrender, the vehicle’s registration will be revoked and the applicable reinstatement fee will be required. Registrants may only claim a “stored or inoperable” exemption for the registered vehicle once per registration period. The exemption may not be claimed if the registered vehicle was the subject of an accident or other moving citation during a lapse in coverage. The act authorizes the Department of Revenue to adopt rules to extend the 30-day surrender period for good cause shown, e.g., the registrant was deployed or otherwise physically unable to surrender the registration and plate within this 30-day period. The act also allows any registrant to voluntarily surrender their vehicle registration and associated license plate prior to a lapse in the required MLI coverage to provide an avenue for compliance with the MLI law for registrants planning to store vehicles, such as deployed military personnel, individuals with inoperable vehicles, or those that may be unable to operate their vehicle for medical or personal reasons. The act further provides licensing officials the ability to dispose of unused and surrendered plates in a uniform manner as prescribed by the department. The act aligns the due date for licensing officials to remit MLI reinstatement fees with similar motor vehicle registration fees remitted to the State Comptroller by changing the due date to the 20th of the month and provides that in addition to currently authorized uses, the Special Licensing Officials’ Fund may be used for taxpayer education. The bill also provides an increase of the percentage that the licensing official may retain in the account from 10% to 15% and increases the existing monetary cap of the fund from \$10,000 to \$25,000. Balances in excess of this cap may be carried over on a monthly basis prior to the close of the fiscal year.

*Effective Date: January 1, 2020*

***Act 2019-452 (HB 528)***

***Board of Equalization Pay Increase***

Increases the compensation for associate members of a board of equalization in a county with a population of 600,000 or more an additional \$9,000 per year taken from the Jefferson County Mapping and Reappraisal Fund.

*Effective Date: May 28, 2019*

***Act 2019-459 (HB457)***

***Railroad Modernization Act of 2019***

This act establishes the Railroad Modernization Act of 2019 and creates a nonrefundable income tax credit for eligible taxpayers with qualified railroad

reconstruction or replacement expenditures. Railroads that are classified as a Class II or Class III are eligible for the credit. The credit is set to sunset with the 2022 tax year unless extended by the legislature. Taxpayers wishing to claim the credit on their income tax return must obtain precertification from the Department of Commerce. The act imposes an annual credit limit of \$3.7 million, with an aggregate cap of \$11.1 million over the life of the credit.  
*Effective Date: Sept 1, 2019, for Tax years beginning 2020*

***Act 2019-468 (SB 276)***

***Authorization to Conduct Tastings and Samplings within Entertainment Districts***

This act amends Section 28-3A-17.1, to provide that the Alcoholic Beverage Control Board may issue an entertainment district designation to any retailer licensee that is licensed to sell alcoholic beverages for on-premises consumption and to any manufacturer licensee that conducts tastings or samplings on the license premises, provided that the licensees are located in an entertainment district.

*Effective Date: September 1, 2019*

***Act 2019-471 (SB 154)***

***Exemptions for the Alabama Toll Road, Bridge, and Tunnel Authority***

This act amends Sections 23-2-142 and 23-2-153 to further provide for exemptions from state and local taxation for the Alabama Toll Road, Bridge, and Tunnel Authority (Authority). This act provides that an income, excise, or license tax or assessment may not be levied upon or collected in this state with respect to any corporate activities of the Authority or the Department of Transportation (DOT) or any of their revenues, income, or profit. These exemptions do not extend to the taxes or fees levied under Division 1, Article 5 of Chapter 17 of Title 8; Chapter 17 of Title 40; or the Rebuild Alabama Act. This act provides that no ad valorem tax or assessment for any public improvement shall be levied with respect to any toll road, bridge, or tunnel project of the Authority during any time that title to the toll road, bridge, or tunnel project is held by the Authority or the DOT and any time that title to the toll road, bridge, or tunnel project is retained by the Authority or the DOT pursuant to a lease with a concessionaire. This act provides that any tangible personal property which will become a permanent part of a project constructed by the Authority, DOT, or any concessionaire, or any contractor, subcontractor, or agent thereof, shall be exempt from sales and use taxes. This act provides that the interest paid or accrued on all bonds, notes, or other obligations issued by the Authority shall be free from taxation by the state or a county, municipality, or other political subdivision or instrumentality thereof. This act also provides that the Department of Revenue shall issue a certificate of exemption to the Authority, the DOT, a concessionaire, or any contract, subcontractor, or agent thereof, for the purchase of building materials, construction materials, and supplies, and other tangible personal property that becomes part of the project.

*Effective Date: June 9, 2019*

***Act 2019-473 (SB 406)***

***Department of Transportation – Commercial Wrecker Limitations***

This act allows the Department of Transportation (DOT) to establish, by rule, limits for combinations of commercial wreckers and towed, disabled, or abandoned vehicles that exceed the maximum height, weight, or length limitations established by law. The DOT may establish a permitting method for such commercial wreckers and related fees. The act also provides that exceptions to the established permit and the permit fees may be established by rule.

*Effective Date: September 1, 2019.*

***Act 2019-474 (SB 122)***

***Exemption for the Birmingham Regional Paratransit Consortium, Inc., from Sales and Use Taxes***

This act provides for an exemption for the Birmingham Regional Paratransit Consortium, Inc., doing business as ClasTran, from the payment of state, county, and municipal sales and use taxes until September 30, 2024.

*Effective Date: September 1, 2019*

***Act 2019-479 (SB 142)***

***Exemption for the Alabama Eye Bank from Sales and Use Taxes***

This act provides for an exemption for the Alabama Eye Bank from the payment of any state, county, and municipal sales and use taxes until September 30, 2024.

*Effective Date: September 1, 2019*

***Act 2019-487 (SB 171)***

***Exclusion of Certain Rooms or Spaces from the Transient Occupancy Tax Levy***

This act amends Section 40-26-1 to provide that charges made for the rental of a ballroom, dining room, club room, sample room, conference room, wedding chapel, or similar room or space that is not intended nor suitable for overnight sleeping purposes and that is not used for overnight sleeping purposes is not subject to the transient occupancy tax levy if the charges for the rental are separately stated. The exclusion applies solely to the transient occupancy tax levy and does not apply to any other taxes, licenses, or fees.

*Effective Date: September 1, 2019*

***Act 2019-488 (SB 141)***

***Exemption for the Alabama Wildlife Center from Sales and Use Taxes***

This act provides for an exemption for the Alabama Wildlife Center from the payment of any state, county, and municipal sales and use taxes until September 30, 2024.

*Effective Date: September 1, 2019*

***Act 2019-501 (SB 347)***

***Alabama Toll Road, Bridge, and Tunnel Authority Issuance and Collection of Tolls***

This act relates to collection of tolls and assessed administrative fees from owners and operators of vehicles that are driven on a toll road, bridge, causeway, or tunnel and through a toll collection point without payment of the required toll. The act updates to the Electronic Toll Collection Act (Sections 23-2-167, 23-2-168, 23-2-169, 23-2-172, 23-2-173, and 23-2-175) to provide for the enforcement of toll violations through the non-renewal of a vehicle's registration and the administration of toll violations through the Department of Transportation (DOT) or the Alabama Toll Road, Bridge, and Tunnel Authority (Authority) as follows: An owner, who has been flagged in the DOT's or Authority's system for failure to pay the Failure to Pay Toll Citation would be subject to a vehicle registration non-renewal. The registration non-renewal notice shall be mailed to the owner at least 10 days prior to the non-renewal being placed on the vehicle. The Authority, or private toll entity or their representative may notify the DOT to place a hold on the registration renewal. The DOT shall notify the local license plate issuing officials on the first of each month that a registration renewal hold has been placed. The owner will not be able to renew the vehicle registration until all tolls and administrative fees assessed by the Authority, the DOT, or private toll entity have been resolved. The licensing official may issue a temporary license plate to allow adequate time to allow resolution and removal of the hold. Once the tolls have been resolved, the DOT or Authority shall inform the local license plate issuing officials that the renewal hold has been removed. The local license plate issuing officials shall be able to verify such through the electronic portal and, upon verification, shall release the non-renewal notice and process the vehicle registration. The DOT is authorized to adopt rules regarding the creation and maintenance of the electronic portal. Private toll entities requesting a renewal hold are required to comply with these rules. Any private toll entity receiving payment shall remit 10% of the total amount collected to the county general fund solely for the operational expenses of the local license plate issuing official. Additionally, a person who receives notice of a vehicle registration nonrenewal may file an appeal in the local district court within 60 days of receipt of the notice. Upon failure to satisfy within 60 days a judgement upon the appeal, the Alabama State Law Enforcement Agency shall suspend the driver's license of any resident against whom a judgement is entered. The suspension shall remain until the judgement is satisfied. When a nonresident is issued a Failure to Pay Toll citation and the nonresident fails to pay the citation, the Authority, the DOT, or private toll entity or their agent may transmit a certified copy of the record to the official in charge of the issuance of vehicle registration certificates in the state in which the resident resides. The act further authorizes the DOT and the Authority to enter into reciprocal agreements for enforcement of provisions related to non-residents and would authorize the agreements to include vehicle registration non-renewal provisions.

*Effective Date: January 1, 2024*

***Act 2019-506 (SB295)***

***Alabama Industry Recognized and Registered Apprenticeship Program Act***

This act revises the provisions of the existing apprenticeship credit. The revisions include the following provisions:

- Increase in the annual cap from \$3 million to \$7.5 million and extension of the sunset date through the 2025 tax year (previously 2021 tax year).
- Increases the number of apprenticeship credits a company can qualify for from 5 to 10 apprentices.
- Increases the current apprenticeship credit amount from \$1,000 to \$1,250 for each apprentice beginning with January 1, 2020.
- Provides an additional credit of up to \$500 for apprentices who are 18 years old or younger, participate in a youth-registered or industry-recognized apprenticeship program, and are funded through qualifying funds as provided for in the act.
- The credit is not available for an individual apprentice for more than four taxable years.

Furthermore, this act establishes the Alabama Industry Recognized and Registered Apprenticeship Program Act and creates the Alabama Office of Apprenticeship (AAA) to certify registered and industry recognized apprenticeship programs in the state in lieu of the federal office of apprenticeship that currently administers state-registered apprenticeship programs. The act authorizes AAA to provide a federally recognized state apprenticeship completion credential for registered and industry recognized apprenticeships certified by the AAA.

*Effective Date: September 1, 2019 for Tax Years beginning January 1, 2020*

***Act 2019-528 (HB 582)***

***Authorizes Municipalities to Create an Electronic Process for the Processing of Business License Renewals***

This act provides that a municipality may develop an electronic process for the processing and recordation of business license renewals. This act provides that a municipality shall ensure that the electronic application process removes the physical mailing process for business licenses and also does the following:

- Determines if any additional forms are required during submission.
- Allows registration and renewals to be completed and submitted electronically.
- Allows the municipality to deliver the official business license at the applicant's preference.
- Includes a webpage that generally informs users about business license requirements.

This act also provides that any business that pays business license fees in 100 or more municipalities in the state may elect to obtain, renew, and submit such payment of fees for a municipal business license pursuant to the current municipal procedures, including the submission of license forms and the payment of fees through the mail or by hand delivery.

*Effective Date: June 10, 2019*

## **Local Revenue Related Acts**

### **2019 Regular Session**

Effective dates designated as “CA” indicate acts that will not become effective unless a corresponding constitutional amendment is approved by a majority vote of the qualified electors of the county and in any political subdivision affected by the proposed amendment voting in a referendum election. If known, the date of the required referendum election is included in the stated effective date.

#### ***Act 2019-51 (HB 130)***

##### ***Town of Triana Ad Valorem***

Permits the Town of Triana to increase the rate of the city general ad valorem tax by an additional 12 mills. The additional 12 mills must be used exclusively for public educational purposes and must first be approved by a majority vote of the qualified electors residing in the Town of Triana. If the increased levy receives a favorable vote of the people, it shall only be levied if the City of Madison also approves a 12 mill increase to their general ad valorem tax. The increased levy authorized by this act shall become effective for taxes due for the tax year beginning on October 1, 2019, that are due and payable on October 1, 2020.

*Effective Date: CA; September 10, 2019*

#### ***Act 2019-64 (HB 232)***

##### ***St. Clair County Special School District Tax***

Authorizes St. Clair County, in addition to any taxes currently levied, to levy and collect a special school district tax at a cumulative total rate not to exceed \$2 on every \$100 dollars of taxable property. The ad valorem tax is subject to election in each district. Multiple school district taxes may be levied in any school district provided the aggregate rate of the taxes cannot exceed the cumulative rate of \$2. The duration of time for the levy of a tax cannot be more than 30 years. The proceeds of each school district tax levied will be collected and remitted by the tax official to the local board of education having control and supervision of the public schools in the school district. The proceeds must be used for the exclusive benefit of the School Attendance and Tax District in which the school district tax is levied and will not supplant or reduce any other funds distributed for the benefit of the St. Clair County Board of Education, the Pell City Board of Education, or a School Attendance and Tax District.

*Effective Date: CA; Election Date TBA*

#### ***Act 2019-88 (HB 129)***

##### ***City of Madison Ad Valorem***

Permits the City of Madison to increase the rate of the city general ad valorem tax by an additional 12 mills. The additional 12 mill levy must be used exclusively for city educational purposes and must be approved by a majority vote of the qualified electors. If the increased levy receives a favorable vote of the people, it would become effective for taxes due for the tax year beginning on October 1, 2019, that are due and payable on October 1, 2020.

*Effective Date: CA; September 10, 2019*

***Act 2019-91 (HB 299)***

***Authorizes the Montgomery County Commission to Levy a Tax Against Lessees or Renters of Tangible Personal Property***

This act authorizes Montgomery County to levy a rental tax against lessees or renters of tangible personal property. The act provides that the tax is not a gross receipts tax and is not a tax on gross proceeds, but instead is a direct tax on the lessee or renter collected by the lessor or vendor. The rental tax rate on any automotive vehicle or truck trailer, semi-trailer, or house trailer shall be an amount of up to three-quarters of 1%. The act also provides that the leasing or renting of rental passenger vehicles and rental trucks shall be exempt from the rental tax. All other transactions subject to the tax shall be at a rate not exceeding 2%. The act further provides that the tax shall not apply to any leasing or rental in which the state, or any municipality or county in the state, or any public corporation organized under the laws of the state is the lessee or vendee, or the lessor or vendor.

*Effective Date: May 1, 2019*

***Act 2019-92 (HB 164)***

***Authorizes the Chilton County Commission to Levy Additional Sales and Use Taxes to be Used for the Construction, Maintenance, and Operation of Hospital Facilities in Chilton County***

This act authorizes Chilton County to levy an additional sales and use tax. This act provides that the proceeds of the levy shall be used for construction, maintenance, and operation of hospital facilities in Chilton County. The items exempted under the state sales tax and state use tax statutes are also exempt under this act. With respect to the taxes authorized by this act Chilton County is deemed to be a self-administered county as this term is defined in Section 40-2A-3. This act also provides that the act be construed as retroactive and curative and that the authority for levying the taxes authorized be approved and confirmed as of August 1, 2014.

*Effective Date: April 23, 2019*

***Act 2019-150 (HB 104)***

***Provides for the Collection and Enforcement of all Privilege, License, or Excise Taxes Levied on the Sale, Distribution, Storage, Use, or Consumption of Cigarettes and Other Tobacco Products in Mobile County***

This act provides for the cumulative amount of tax on cigarettes and other tobacco products in Mobile County. This act provides for a 20 cent tax on a package of cigarettes, a 21 cent tax for each cigar, a 23 cent tax for each container of smoking tobacco, a 23 cent tax for each container of chewing tobacco, a 23 cent tax for each container of snuff, and a 34 cent tax for each package of tobacco paper. This act provides that every wholesale dealer shall furnish the Mobile County Tax Collector a monthly report between the 1st and 20th of each month. Any retail dealer or semijobber of cigarettes or other tobacco products purchasing or receiving the products from outside of the county, for which the state, county, city, and local tax has not already been paid at wholesale, shall within three days of receipt mail a copy of the invoice to the Mobile County Tobacco Tax Collector. Failure to furnish duplicate invoices may result in a penalty of not less than \$1,000 and no more than \$5,000. Section 11 of the act provides that the Mobile County

Tax Collector shall have the duties relative to the preparation and sale of stamps to evidence the payment of the tax on products suitable for affixing the stamp. In the event tobacco stamps are not available or are not suitable for affixing to certain tobacco products, the Mobile County Commission shall require a monthly report in lieu of stamps to report the amount of tax due. This act also provides that the Mobile County Tobacco Tax Collector without a warrant may seize (1) any taxable products not having stamps affixed or (2) in the case of products not requiring a stamp to be affixed, taxable products for which purchase invoices do not itemize the applicable tobacco taxes. Seized products will be delivered to Mobile County for destruction. This act authorizes the Mobile County Commission to adopt rules to effectuate the purposes of the act.

*Effective Date: October 1, 2019*

***Act 2019-156 (HB 201)***

***Provides for a Change in the Distribution of Funds in the Talladega County Special Tax Fund***

This act amends Section 11 of Act 91-533 of the 1991 Regular Session to provide for a change in the distribution of the funds in the Talladega County Special Tax Fund. This act removes the 12% distribution to the Talladega County Association of Volunteer Fire Departments and provides for 12% of the funds to be distributed equally among the certified volunteer fire departments whose principal fire station is located within Talladega County.

*Effective Date: May 13, 2019*

***Act 2019-157 (HB 214)***

***Transfer of Duties in Mobile County***

This act clarifies the legislative intent of Act 2015-265 regarding the transfer of duties from the judge of probate to the revenue commissioner in Mobile County. The act states that the revenue commissioner is responsible for conducting sales of real property for failure to pay ad valorem tax. This duty includes publishing the list of delinquent taxpayers, providing notice for the sale, and conducting and executing the sale of tax deeds following the sale of real property for failure to pay ad valorem tax. The act further states that the judge of probate will retain exclusive subject matter jurisdiction over any proceeding that involves a statutory redemption claim for real property sold for taxes.

*Effective Date: May 7, 2019*

***Act 2019-161 (HB 366)***

***Provides for the Expenditure of Funds by Chilton County from the Trust Account Established Pursuant to Act 96-631 of the 1997 Regular Session***

This act provides for the appropriation of principal and interest from the trust account established in Section 8 of Act 96-631 of the 1996 Regular Session beginning with the first fiscal year after the effective date of this act. This act provides that the Chilton County Commission may appropriate from the account an amount not to exceed \$400,000 to be carried over from year to year for the maintenance and repair of the county jail. For each fiscal year after, the commission may appropriate from the account additional amounts not to exceed \$100,000 per year for the maintenance and repair of the county jail until the funds in the account are exhausted.

*Effective Date: May 14, 2019*

***Act 2019-170 (HB 367)***

***Authorizes the Chilton County Commission to Levy a Sales and Use Tax***

This act provides that the Chilton County Commission may levy a sales and use tax in an amount of up to 1% in the county, and an amount of up to 2% outside corporate limits of the City of Clanton, the City of Jemison, the Town of Maplesville, and the Town of Thorsby. This act provides that the gross receipts and gross proceeds from the sale and use of all motor vehicles and agricultural machinery and equipment and related items covered by Section 40-23-37 are exempt from the taxes. This act also provides that the taxes shall be collected at the same time and in the same manner as the state sales and use taxes. Taxes collected under this act shall be remitted to Chilton County and deposited in the Chilton County General Fund earmarked for infrastructure, public safety, and economic development in the county. The authority for the Chilton County Commission to levy any sales and use taxes pursuant to this act shall expire 35 years after the effective date of this act unless the taxes are renewed by a majority vote of the Chilton County Commission.

*Effective Date: May 15, 2019*

***Act 2019-171 (HB 382)***

***Authorizes the Coffee County Commission to Levy a Lodging Tax***

This act provides that the Coffee County Commission may levy a 4% lodgings tax. The tax authorized by this act shall be collected by Coffee County in the same manner and subject to the same exemptions as the state lodging tax.

*Effective Date: 08/01/2019*

***Act 2019-168 (HB 330)***

***Eliminates the Sunset Provision for Houston County Sales and Use Taxes***

This act amends Section 45-35-244.09 to remove the sunset provision related to Houston County sales and use taxes.

*Effective Date: August 1, 2019*

***Act 2019-202 (SB 176)***

***City of Hoover Ad Valorem***

This act allows the City of Hoover, upon approval of qualified voters, to increase the general ad valorem tax rate by 2.4 mills to be used exclusively for city educational purposes.

*Effective Date: May 28, 2019*

***Act 2019-203 (SB 177)***

***City of Mountain Brook Ad Valorem***

Allows the City of Mountain Brook, upon approval of qualified voters, to increase the Special Tax rate by 10 mills on each dollar to a maximum rate, for any tax year, equal to \$2.06 on each one hundred dollars (20.6 mills on each dollar of assessed value).

*Effective Date: May 28, 2019*

***Act 2019-211 (SB 43)***

***Authorizes the Autauga County Commission to Levy a Lodging Tax***

This act authorizes the Autauga County Commission to levy a lodging tax at a rate of 10% outside of the corporate limits of the City of Prattville and 3% within the corporate limits of the City of Prattville. The tax shall be due the 20th day of the month next succeeding the month in which the tax accrues. This act provides that the balance of the proceeds from the tax shall be deposited into the Autauga County General Fund.

*Effective Date: May 22, 2019*

***Act 2019-218 (SB 212)***

***Authorizes the Montgomery County Commission to Levy a Tax Against Lessees or Renters of Tangible Personal Property***

This act authorizes Montgomery County to levy a rental tax against lessees or renters of tangible personal property. The act provides that the tax is not a gross receipts tax and is not a tax on gross proceeds, but instead is a direct tax on the lessee or renter collected by the lessor or vendor. This provides that the rental tax rate on any automotive vehicle or truck trailer, semi-trailer, or house trailer shall be an amount of up to three quarters of 1%. The act also provides that the leasing or renting of rental passenger vehicles and rental trucks shall be exempt from the rental tax. All other transactions subject to the tax shall be at a rate not exceeding 2%. The act further provides that the tax shall not apply to any leasing or rental in which the state, or any municipality or county in the state, or any public corporation organized under the laws of the state is the lessee or vendee, or the lessor or vendor.

*Effective Date: May 22, 2019*

***Act 2019-226 (SB 260)***

***Provides for Expenditures of the Proceeds from the Jackson County Gasoline and Motor Fuels Tax***

This act amends Section 45-36-243 to provide for expenditures from the Jackson County gasoline and motor fuel taxes. This act provides that the expenditures from the special fund shall be made exclusively for materials and equipment used for the repair, maintenance, and construction of public roads and bridges.

*Effective Date: May 21, 2019*

***Act 2019-231 (SB 327)***

***Provides for an Excise and Privilege Tax Levy on Graphite in Coosa County***

This act amends Sections 45-19-244, 45-19-22.01, 45-19-244.02, 45-19-244.03, and 45-19-244.05 to provide for an excise and privilege tax on every person severing graphite within Coosa County. This act provides that the tax shall be paid to the Department of Revenue at the rate of \$5 per ton. This act also provides that the department shall not charge more than 1% of the total taxes collected on graphite. This act repeals Section 45-19-244.07.

*Effective: May 23, 2019*

***Act 2019-251 (HB 337)***

***Related to the Zoning Authority of Municipalities Incorporated after 1990 that are Located in a County in which Another Municipality in the County has Zoning Authority in its Police Jurisdiction***

This act provides that any municipality in this state incorporated after 1990, which is located in a county in which another municipality in that county has zoning authority in its police jurisdiction, may divide the territory within its police jurisdiction into business, industrial, and residential zones or districts. This act also provides that in the event the police jurisdiction of any municipality to which this act applies overlaps with the police jurisdiction of another municipality in the county that has zoning authority in its police jurisdiction, the governing body of each municipality may exercise the zoning authority in the overlapping portions of its police jurisdiction to a boundary which is equidistant from the respective corporate limits of each municipality that has an overlapping police jurisdiction.

*Effective Date: May 22, 2019*

***Act 2019-264 (HB 572)***

***City of Huntsville Ad Valorem***

This act merges the two separate ad valorem tax levies for public school purposes to provide an equal and uniform levy across the City of Huntsville's corporate limits, presently located within portions of Limestone, Madison, and Morgan Counties. Upon approval of qualified electors, an increase in the millage rate of the Amendment 8 School Tax not to exceed 22 mills will be levied upon any property within the school district of the city in any county in which the city is situated as a corresponding reduction, and dissolution of the special school ad valorem will occur.

*Effective Date: May 28, 2019*

***Act 2019-266 (SB 381)***

***Provides for Changes to the Distribution of Funds from T.V.A. In-Lieu-of-Taxes Payments made to Limestone County***

This act amends Section 45-42-163 to provide that if a volunteer fire department in Limestone County that receives a \$12,000 distribution from the T.V.A. in-lieu-of-taxes payments is de-certified, the proceeds shall be distributed equally to the remaining volunteer fire departments. The amendatory language shall be retroactive to January 1, 2018.

*Effective Date: May 23, 2019*

***Act 2019-272 (SB 344)***

***Provides for the Distribution of the Simplified Sellers Use Tax (SSUT) Funds Received by Morgan County***

This act provides that beginning October 1, 2019, after Morgan County retains 5% of the gross proceeds for administrative purposes, 85% of the remaining proceeds of the SSUT funds received by Morgan County shall be allocated and distributed to the county and city boards of education in the county based on the proportion of the average daily membership of each school system in the county during the first 20 scholastic days after Labor Day of the preceding school year. Thirteen and one-half percent of the remaining proceeds shall be allocated to the

Morgan County Board of Education and 1.5% shall be distributed to the certified volunteer fire departments in the county.

*Effective Date: 08/01/2019*

***Act 2019-300 (HB 620)***

***Provides for a Constitutional Amendment for Baldwin County Related to the Creation of a Toll Road and Bridge Authority***

This act proposes a constitutional amendment related to Baldwin County. If approved, this constitutional amendment would authorize the creation of a toll road and bridge authority for the purpose of acquiring, designing, constructing, equipping, regulating, improving, operating, and maintaining a new toll road and bridge project in the county in order to extend the present northern terminus of the Baldwin Beach Express to U.S. Interstate Highway 65.

*Effective Date: CA; Election Date: March 3, 2020*

***Act 2019-332 (HB 553)***

***Authorizes the Bibb County Commission to Levy an Additional Sales and Use Tax***

This act provides for the authority of the Bibb County Commission to levy an additional sales and use tax in an amount up to 1%. This act provides that the gross receipts of any business, the gross proceeds of all sales and use of products or services, which are presently exempt under the state sales and use tax levies shall be exempt from the tax authorized by this act. This act provides that the tax shall be collected at the same time and in the same manner as the state sales and use taxes. The proceeds from the taxes collected under this act shall be remitted to Bibb County and deposited in the Bibb County General Fund. This act also provides that 80% of the net proceeds after cost of collection shall be distributed to the Bibb County Board of Education, and the remaining 20% shall be retained by the county.

*Effective Date: May 23, 2019*

***Act 2019-337 (SB 401)***

***Authorizes the Macon County Commission to Levy a Temporary Additional Sales and Use Tax***

This act authorizes the Macon County Commission to levy a sales and use tax in an amount of up to one-half of 1%. This act provides that the tax shall be collected at the same time and in the same manner as the state sales and use taxes are collected. All taxes collected under this act shall be remitted to Macon County and deposited in the Macon County General Fund to be used only to fund ambulance services for the citizens of Macon County. The taxes levied under this act shall expire November 30, 2020.

*Effective Date: May 31, 2019*

***Act 2019-338 (SB 367)***

***Related to the Distribution of the Baldwin County Rental Tax and Recording Fees***

This act amends Section 45-2-244.183, which provides for the distribution of the Baldwin County rental tax. Under current law, 75% of the taxes must be distributed to the county general fund for general purposes, with \$200,000

being appropriated into a separate county fund to be used for the operation of the Baldwin County Legislative Office. As amended by this act, section 45-2-244.183 specifies that the annual \$200,000 appropriation may be used for public travel for both House and Senate members of the Baldwin County Legislative Delegation. The act further provides that members and personnel of the office may be eligible for reimbursement under the same policies, procedures, and conditions as county elected officials as provided in County Commission Policy No. 8.6 and subsequent policies. Expenses for official travel by a member of the House representing Baldwin County outside of his or her district shall not exceed \$2,000 per House member during the county fiscal year. Expenses for official travel by a member of the Senate representing Baldwin County outside of his or her district shall not exceed \$7,500 per senator during the county fiscal year. This act further provides that 12% of the proceeds from the rental tax shall be distributed into a separate county fund to be expended for historic sites in Baldwin County and that 8% of the tax shall be distributed to the Baldwin County Economic Development Alliance. The remaining balance in the fund at the end of the fiscal year shall revert to the Baldwin County Legislative Delegation Office. This act also amends section 45-2-220.05 to provide that \$1 of the additional recording fee levied by this section shall be distributed to the Baldwin County District Attorney's Office. Finally, this act provides that the amendatory language of the act shall be retroactive to June 1, 2000.

*Effective Date: October 1, 2019*

***Act 2019-372 (SB 380)***

***City of Huntsville Ad Valorem***

This act authorizes the City of Huntsville to equalize the level of ad valorem taxes collected for public school purposes throughout the city by merging the two separate ad valorem tax levies providing an equal and uniform levy across the City of Huntsville's corporate limits. This act will increase the millage rate of the Amendment 8 School Tax not to exceed 22 mills (\$2.20 on each one hundred dollars of assessed value) levied upon any property within the school district of the city in any county in which the city is situated, while dissolving the special school ad valorem tax previously levied at 15.5 mills. The modification of these tax rates are subject to approval by a majority of the qualified electors.

*Effective Date: May 28, 2019*

***Act 2019-410 (HB 564)***

***Authorizes the Blount County Commission to Levy a Lodging Tax***

This act authorizes the Blount County commission to levy a lodging tax. This act provides that the lodging tax shall be collected in the same manner and subject to the same exemptions as the state lodging tax. The proceeds shall be deposited in the county tourism fund.

*Effective Date: September 1, 2019*

***Act 2019-411 (HB 584)***

***Related to the Distribution of the Proceeds from the Cullman County Sales and Use Tax***

Under current law, 5% of the proceeds from the Cullman County sales and use tax are required to be distributed equally among certain enumerated fire departments.

This act provides that the Cullman County Fire Association Training Center shall also receive a share of the proceeds of the tax equal to that received by each of the enumerated volunteer fire departments.

*Effective Date: September 1, 2019*

***Act 2019-436 (SB 419)***

***Provides for the Allocation and Expenditure of Money Received from the Tennessee Valley Authority that is Distributed to Morgan County***

This act provides that for fiscal years 2019, 2020, 2021, and 2022, up to \$330,000 of any remaining proceeds allocated to Morgan County pursuant to Act 2010-135 from the in-lieu-of-taxes payments made by the Tennessee Valley Authority, shall be distributed to the Community Foundation of Greater Decatur, Inc., to be distributed by the foundation based on recommendations for expenditure by members representing the House and Senate districts comprised of territory in Morgan County. This act also provides that any of these distributions shall be at the sole discretion of the Community Foundation of Greater Decatur.

*Effective Date: June 6, 2019*

***Act 2019-467 (SB 418)***

***Provides for the Levy of a Payroll or Privilege Fee in Macon County***

This act amends Section 45-44-244.31 to authorize the Macon County Commission to levy a payroll or privilege fee upon any person who performs a trade, occupation, or profession in those areas of the county not subject to an occupational tax on the effective date of this act.

*Effective Date: June 6, 2019*

***Act 2019-518 (HB 611)***

***Provides for the Incorporation, Organization, Powers, and Operation of a Toll Road and Bridge Authority as a Public Corporation of Baldwin County***

This act provides for the creation of a toll road and bridge authority as a public corporation of Baldwin County. This act provides that the name of the authority shall be “The Baldwin County Toll Road and Bridge Authority – Baldwin Beach to Interstate 65 Project.” The number of directors shall be an odd number not less than three, and the duration of their terms in office shall not exceed six years. The authority may provide by resolution for the issuance of its bonds. This act provides that an income, excise, or license tax or assessment may not be levied upon or collected in the state with respect to any corporate activities of the authority. No ad valorem tax or assessment for any public improvement shall be levied upon or collected in the state with respect to the project during any time that title to the project is held by the authority. No privilege or license taxes or assessments payable with respect to the recording or filing for record of any mortgage, deed, or other instrument shall be levied, charged, or collected in connection with the recording or filing for record of any mortgage, deed, or other instrument evidencing a conveyance to or the creation of any property interest in the authority, any agreement or instrument to which the authority is a party. This act provides that any tangible personal property which becomes a permanent part of the project shall be exempt from taxation and assessment, including sales or use taxes. This act provides that the interest paid or accrued on all bonds, notes,

or other obligations issued by the authority shall be free from taxation by the state or a county, municipality, or other political subdivision or instrumentality thereof. The Department of Revenue shall issue a certificate of exemption to the authority and each contractor and subcontractor for each project for the purchase of building materials, construction materials and supplies, and other tangible personal property that becomes part of the project. This act also provides that the authority shall pay and provide for a fiscal year audit by any private firm selected by the board. The authority shall be a non-profit public corporation and political subdivision.

*Effective Date: Upon ratification of Act 2019-300*