

1 SB254
2 127725-1
3 By Senators Taylor, Williams, Blackwell, Glover, Dial, Reed,
4 Whatley, Beasley, Scofield, Bedford and Sanford
5 RFD: Finance and Taxation Education
6 First Read: 22-MAR-11

2
3
4
5
6
7
8 SYNOPSIS: Under existing law, any taxpayer liable for
9 the payment of state sales taxes whose average
10 monthly tax liability was one thousand dollars
11 (\$1,000) or greater during the preceding calendar
12 year must make estimated monthly payments to the
13 Department of Revenue based on the actual tax
14 liability for the same calendar month of the
15 preceding year.

16 This bill would increase the average monthly
17 tax liability threshold for a taxpayer to be
18 required to make estimated payments to two thousand
19 five hundred dollars (\$2,500) or greater.

20
21 A BILL
22 TO BE ENTITLED
23 AN ACT

24
25 To amend Section 40-23-7, Code of Alabama 1975,
26 regarding the collection of state sales taxes, to increase the
27 average month tax liability for a taxpayer to be required to

1 make estimated state sales tax payments from one thousand
2 dollars (\$1,000) or greater to two thousand five hundred
3 dollars (\$2,500) or greater.

4 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

5 Section 1. Section 40-23-7, Code of Alabama 1975, is
6 hereby amended as follows:

7 "§40-23-7.

8 (a) The taxes levied under the provisions of this
9 division, except as otherwise provided in subsection (d),
10 shall be due and payable in monthly installments on or before
11 the 20th day of the month next succeeding the month in which
12 the tax accrues.

13 (b) Except as otherwise provided in subsection (d)
14 on or before the 20th day of each month, every person on whom
15 the taxes levied by this division are imposed shall report to
16 the department, on a form prescribed by the department, a true
17 and correct statement showing such information as the
18 department may require, and shall pay to the department the
19 amount of taxes shown to be due.

20 (c) Any taxpayer liable for taxes under the
21 provisions of this division whose average monthly state sales
22 tax liability was ~~one thousand dollars (\$1,000)~~ two thousand
23 five hundred dollars (\$2,500) or greater during the preceding
24 calendar year shall make estimated payments to the department
25 on or before the 20th day of the month in which the liability
26 occurs as follows:

1 (1) The amount of the first estimated payment shall
2 be 66 2/3 percent of the taxpayer's actual tax liability for
3 the month of October 1983; thereafter the amounts of the
4 payment shall be the lesser of 66 2/3 percent of the
5 taxpayer's actual tax liability for the same calendar month of
6 the preceding year or 66 2/3 percent of the current month's
7 estimated liability.

8 (2) Any outstanding credit or deficit arising from
9 the taxpayer's overpayment or underpayment of his final
10 liability shall be applied to either increase or reduce, as
11 the case may be, that month's final tax liability which shall
12 be reported and paid not later than the 20th day of the month
13 next succeeding the month in which the tax accrues.

14 (3) The provisions of this subsection shall not
15 apply to the provisions of Sections 11-51-180, 11-51-200,
16 40-12-4, nor to any municipal or county taxes levied by past
17 or future special or local acts of the Legislature.

18 (d) When the total state sales tax for which any
19 person is liable under this division averages less than two
20 hundred dollars (\$200) per month during the preceding calendar
21 year, a quarterly return and remittance in lieu of the monthly
22 returns may be made, by election of the taxpayer to the
23 department, on or before the 20th day of the month next
24 succeeding the end of the quarter for which the tax is due
25 under any rules and regulations as may be prescribed. The
26 election to file quarterly shall be made in writing no later
27 than February 20 of each year and shall be filed with the

1 department. Notwithstanding the above, no state sales tax
2 return shall be due until January 20 of each year unless the
3 total state sales tax for which any person is liable under
4 this division during the preceding calendar year exceeds ten
5 dollars (\$10).

6 (e) The department, for good cause, may extend the
7 time for making any state or state-administered return
8 required under the provisions of this division, but the time
9 for filing any such return shall not be extended for a period
10 greater than 30 days from the date such return is due to be
11 made.

12 Section 2. This bill is effective on the first day
13 of the third month following its passage and approval by the
14 Governor or its otherwise becoming law.