

1 SB322
2 166640-2
3 By Senator Sanford
4 RFD: Governmental Affairs
5 First Read: 02-APR-15

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4 ENGROSSED

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7 A BILL
8 TO BE ENTITLED
9 AN ACT

10
11 To amend Sections 11-3-11.3, 11-51-183, 11-51-208,
12 11-51-210, 40-12-4, and 40-12-7, Code of Alabama 1975, and add
13 Section 11-51-210.1, Code of Alabama 1975, relating to the
14 Department of Revenue; to update references relating to the
15 cost of collection; to decrease the cap for the cost of
16 administration of county taxes from five percent to two
17 percent; to provide for the administration of local sales,
18 use, rental, and lodgings taxes by the department; and to
19 extend the county and municipal tax levy and rate notification
20 requirements to the department; and to provide liability
21 relief for miscollection of local taxes due to the lack of
22 proper rate change notifications.

23 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

24 Section 1. Sections 11-3-11.3, 11-51-183, 11-51-208,
25 11-51-210, 40-12-4, and 40-12-7 of the Code of Alabama 1975,
26 are amended to read as follows:

27 "§11-3-11.3.

1 "(a) Counties may, upon request of the county
2 commission, engage the Department of Revenue to collect and
3 administer any county sales, use, rental, lodgings, tobacco,
4 or other local taxes for which there is a corresponding state
5 levy. Subject to subsections (d) and (e) below, the department
6 shall collect and administer a county sales, use, rental,
7 lodgings, tobacco, or other tax for which there is a
8 corresponding state levy on behalf of the requesting county.
9 Any county sales, use, rental, or lodgings tax levy
10 administered and collected by the Department of Revenue
11 pursuant to this section, whether the levy is imposed pursuant
12 to the authority of Section 40-12-4, or any general, special,
13 or local act of the Legislature, shall parallel the
14 corresponding state tax levy, except for the rate of tax, and
15 shall be subject to all definitions, exceptions, exemptions,
16 proceedings, requirements, provisions, rules, regulations,
17 direct pay permits and drive-out certificate procedures,
18 statutes of limitation, penalties, fines, punishments, and
19 deductions as applicable to the corresponding state tax,
20 except where otherwise provided in this section, including
21 provisions for the enforcement and collection of taxes. The
22 Department of Revenue shall make available to those counties
23 for which it collects and administers a sales, use, rental, or
24 lodgings tax collected and administered pursuant to this
25 section the same services which are made available to
26 municipal governments pursuant to Division 4 of Article 2 of
27 Chapter 51 and Article 3 of Chapter 51.

1 "(b) The Department of Revenue shall prepare and
2 distribute those reports, forms, and other information as may
3 be necessary to provide for its collection and administration
4 of any county tax it collects and administers and, on request,
5 shall make all reports available for inspection by the
6 governing body of the county. In collecting and administering
7 a county sales, use, rental, or lodgings tax, the department
8 shall have all the authority and duties as it has in
9 connection with the collection and administration of the
10 corresponding state tax including, without limitation, the
11 provisions of Chapters 2A, 12, 23, and 26 of Title 40.

12 "(c) (1) The Commissioner of Revenue shall deposit
13 into the State Treasury all county taxes collected and, on a
14 biweekly basis, shall certify to the ~~state~~ Comptroller the
15 amount of taxes collected for the approximate two-week period
16 immediately preceding the certification and the amount, less
17 the Department of Revenue's actual cost of collection and
18 administration, to be distributed to each county and which
19 shall be paid to the treasurer or other custodian of funds of
20 the county within three days after certification thereof.

21 "(2) The department shall charge each county the
22 actual cost to the department for collecting and administering
23 a tax. Notwithstanding the preceding sentence, however, the
24 charge shall not exceed two percent of the amount collected
25 for each county. At least once each month, the ~~state~~
26 Comptroller shall issue a warrant to the Department of Revenue
27 for the collection and administration charges due as

1 determined by the Commissioner of Revenue. Payment shall be
2 from funds collected under this section and shall be the
3 actual cost of collection and administration, not to exceed
4 two percent of the amount collected for each county.

5 "(3) Notwithstanding any other provisions of law,
6 the Department of Revenue shall not charge a fee to the county
7 for the cost of filing, payment processing, and remittance
8 services relating to any tax authorized to be filed under the
9 ONE SPOT system of the department.

10 References in this subsection to filing, payment
11 processing, and remittance services shall only mean and refer
12 to the ONE SPOT system to file and pay taxes authorized to be
13 filed thereunder, and shall not include the collection and
14 administration of local taxes as defined in Section
15 11-3-11.3(i).

16 ~~"(3)~~ (4) Within 60 days after the end of each fiscal
17 year, the department, in cooperation with the office of the
18 Examiner of Public Accounts, shall recompute its actual costs
19 for collection and administration of county taxes for the
20 preceding fiscal year. Any collection and administration
21 over-charge shall be redistributed to the counties for which
22 the department collects and administers local taxes, on a pro
23 rata basis of each county's receipts. No under-charge shall be
24 recovered, either directly or indirectly, from any county.

25 "(d) Except where the department is collecting on
26 July 1, 1998, any county which has a tax levy that will be
27 collected and administered by the Department of Revenue

1 pursuant to the provisions of this section shall forward a
2 certified copy of the enabling ordinance or resolution to the
3 department at least ~~30~~ 60 days prior to the first day of the
4 month on which it is to begin collecting and administering the
5 tax.

6 "(e) A new levy, or a levy changed by an amendment
7 of a heretofore adopted levy, which will be collected and
8 administered under this section shall not be subject to
9 collection and administration by the Department of Revenue
10 until the first day of the month ~~next~~ following the expiration
11 of ~~30~~ 60 days after receipt by the department of a certified
12 copy of the enabling ordinance or resolution with any
13 amendment thereto.

14 "(f) The Department of Revenue shall from time to
15 time issue such rules and regulations for making returns and
16 for ascertainment, assessment, collection, and administration
17 of taxes subject to the provisions of this section as it may
18 deem necessary to enforce its provisions and shall ~~furnish~~
19 make available any municipal or county government ~~with~~ a copy
20 of those rules and regulations ~~within 15 days of final~~
21 ~~adoption~~. Upon request, the Department of Revenue shall
22 furnish any taxpayer with a copy of those rules and
23 regulations.

24 "(g) Any self-administered county governing body, as
25 defined in ~~Section 40-2A-3(20)~~ Section 40-2A-3(21), may elect,
26 by the adoption of an ordinance or resolution, to assess
27 interest on any tax delinquency. Any such assessment of

1 interest shall be consistent with the provisions of Section
2 40-23-2.1. Any self-administered county governing body may
3 also elect, by the adoption of an ordinance or resolution, to
4 pay interest on any refund of tax erroneously paid. In the
5 event that the governing body elects to assess interest on any
6 tax delinquency, the governing body must also elect to pay
7 interest, at the same rate charged by the county on tax
8 delinquencies, on any refund of tax erroneously paid. Unless
9 otherwise specified in the ordinance or resolution in which
10 the county governing body elects to assess or pay interest
11 determined in accordance with Section 40-1-44, the applicable
12 interest rate to be charged by or due from the county shall be
13 one percent per month. References in this subsection to
14 "erroneously paid" taxes on which interest shall be due to the
15 taxpayer shall only mean and refer to taxes paid to the
16 self-administered county or its agent as a result of any
17 error, omission, or inaccurate advice by or on behalf of the
18 self-administered county, including in connection with a prior
19 examination of its books and records by the self-administered
20 county or its agent.

21 "(h) Notwithstanding subsection (g), the applicable
22 interest rate to be assessed on any tax delinquency or paid on
23 any refund of erroneously paid taxes with respect to all
24 county sales, use, rental, and lodgings tax levies collected
25 by the Department of Revenue shall be determined in accordance
26 with Section 40-1-44.

1 "(i) For the purpose of this section, the terms
2 collection and administration are defined as the act or
3 process of managing local taxes and local tax assignments;
4 this process includes but is not limited to any or all
5 functions required and/or performed to receive, reconcile,
6 process, audit, assess, collate, and distribute local taxes.

7 "§11-51-183.

8 "(a) The Commissioner of Revenue shall deposit into
9 the State Treasury all municipal taxes collected by the
10 department under this division; and, on a biweekly basis, the
11 commissioner shall certify to the ~~state~~ Comptroller the amount
12 of taxes collected under the provisions of this division for
13 the approximate two-week period immediately preceding the
14 certification and the amount to be distributed to each
15 municipality, less collection and administration charges
16 deducted, which shall be paid to the treasurer or other
17 custodian of funds of the municipality within three days after
18 certification thereof.

19 "(b) The Department of Revenue shall charge each
20 municipality its actual cost for collecting and administering
21 the municipal license taxes. Notwithstanding the previous
22 sentence, however, the charge shall not exceed two percent of
23 the amount collected for that municipality.

24 "(c) Within 60 days after the end of each fiscal
25 year, the Department of Revenue, in cooperation with the
26 office of the Examiner of Public Accounts, shall recompute its
27 actual cost for collection and administration of local taxes

1 for the preceding fiscal year. Any collection and
2 administration over-charge shall be redistributed to the
3 municipalities for which the department collects and
4 administers local taxes, on a pro rata basis of each
5 municipality's receipts. No under-charge shall be recovered,
6 either directly or indirectly, from any municipality.

7 "(d) The ~~state~~ Comptroller shall at least once each
8 month issue a warrant on the funds collected under this
9 division payable to the Department of Revenue for the amount
10 of the charges as determined by the Commissioner of Revenue.

11 "(e) The Department of Revenue shall not charge a
12 fee to the municipality, city, or town for the cost of filing,
13 payment processing, and remittance services relating to any
14 tax authorized to be filed under the ONE SPOT system of the
15 department.

16 References in this subsection to filing, payment
17 processing, and remittance services shall only mean and refer
18 to the ONE SPOT system to file and pay taxes authorized to be
19 filed thereunder, and shall not include the collection and
20 administration of local taxes as defined in Section
21 11-3-11.3(i).

22 "(f) The Department of Revenue shall make available
23 to those localities for which it administers the taxes imposed
24 pursuant to this section the same services which are made
25 available to municipal governments pursuant to this division
26 and Article 3, commencing with Section 11-51-200, of this
27 chapter.

1 "(g) For the purpose of this section, the terms
2 collection and administration shall be defined using the
3 definition provided for in Section 11-3-11.3(i), Code of
4 Alabama 1975.

5 "§11-51-208.

6 "(a) Municipalities may, upon request of the
7 municipal governing body, engage the Department of Revenue to
8 collect and administer their municipal sales, use, rental, and
9 lodgings tax. Subject to subsections (c) and (d), the
10 Department of Revenue shall collect and administer the
11 municipal sales, use, rental, and lodgings tax on behalf of
12 the requesting municipality. The Department of Revenue shall
13 prepare and distribute reports, forms, and other information
14 as may be necessary to provide for the collection and
15 administration of any municipal tax it collects and
16 administers and, on request, shall make all reports available
17 for inspection by the governing body of the municipality. In
18 collecting and administering a municipal sales, use, rental,
19 or lodgings tax, the department shall have all the authority
20 and duties as it has in connection with the collection and
21 administration of the corresponding state tax including,
22 without limitation, the provisions of Chapters 2A, 12, 23, and
23 26 of Title 40.

24 "(b) (1) The Commissioner of Revenue shall deposit
25 into the State Treasury all municipal taxes collected and, on
26 a biweekly basis, shall certify to the ~~state~~ Comptroller the
27 amount of taxes collected for the approximate two-week period

1 immediately preceding the certification and the amount, less
2 the Department of Revenue's actual cost of collection and
3 administration, to be distributed to each municipality, which
4 shall be paid to the treasurer or other custodian of funds of
5 the municipality within three days after certification
6 thereof.

7 "(2) The department shall charge each municipality
8 the actual cost to the department for collecting and
9 administering its tax. Notwithstanding the preceding sentence,
10 however, the charge shall not exceed two percent of the amount
11 collected for each municipality. At least once each month, the
12 ~~state~~ Comptroller shall issue a warrant to the Department of
13 Revenue for the collection and administration charges due as
14 determined by the Commissioner of Revenue. Payment shall be
15 from funds collected under this section and shall be the
16 actual cost of collection and administration, not to exceed
17 two percent of the amount collected for each municipality.
18 Notwithstanding any other provision of law, the Department of
19 Revenue shall not charge a fee to the municipality, city, or
20 town for the cost of filing, payment processing, and
21 remittance services relating to any tax authorized to be filed
22 under the ONE SPOT system of the department.

23 References in this subsection to filing, payment
24 processing, and remittance services shall only mean and refer
25 to the ONE SPOT system to file and pay taxes authorized to be
26 filed thereunder, and shall not include the collection and

1 administration of local taxes as defined in Section 11-3-11.3(i).

2 "(3) Within 60 days after the end of each fiscal
3 year, the department, in cooperation with the office of the
4 Examiner of Public Accounts, shall recompute its actual costs
5 for collection and administration of municipal taxes for the
6 preceding fiscal year. Any collection and administration
7 over-charge shall be redistributed to the municipalities for
8 which the department collects and administers local taxes, on
9 a pro rata basis of each municipality's receipts. No
10 undercharge shall be recovered, either directly or indirectly,
11 from any municipality.

12 "(c) Except where the department is collecting on
13 July 1, 1998, any municipality which has a tax levy that will
14 be collected and administered by the Department of Revenue
15 pursuant to the provisions of this section shall forward a
16 certified copy of the enabling act, ordinance, or resolution
17 to the department at least ~~30~~ 60 days prior to the first day
18 of the first month on which the department is to begin
19 collecting and administering the tax.

20 "(d) A new levy, or a levy changed by an amendment
21 of a heretofore adopted levy, which will be collected and
22 administered under this section shall not be subject to
23 collection and administration by the Department of Revenue
24 until the first day of the month next following the expiration
25 of ~~30~~ 60 days after receipt by the department of a certified
26 copy of the enabling act, ordinance, or resolution with any
27 amendments thereto.

1 "(e) Subject to the provisions of this section, the
2 Department of Revenue shall from time to time issue such rules
3 and regulations for making returns and for ascertainment,
4 assessment, collection, and administration of taxes subject to
5 the provisions of this section as it may deem necessary to
6 enforce its provisions and shall furnish any county or
7 municipal governing body with a copy of those rules and
8 regulations within 15 days of final adoption. Upon request,
9 the Department of Revenue shall furnish any taxpayer with a
10 copy of those rules and regulations.

11 "(f) Any self-administered municipal governing body,
12 as defined in ~~Section 40-2A-3(20)~~ Section 40-2A-3(21), may
13 elect, by the adoption of an ordinance or resolution, to
14 assess interest on any tax delinquency. Any such assessment of
15 interest shall be consistent with the provisions of Section
16 40-23-2.1. Any self-administered municipal governing body may
17 also elect, by the adoption of an ordinance or resolution, to
18 pay interest on any refund of tax erroneously paid. In the
19 event that the governing body elects to assess interest on any
20 tax delinquency, the governing body must also elect to pay
21 interest, at the same rate charged by the municipality on tax
22 delinquencies, on any refund of tax erroneously paid. Unless
23 otherwise specified in the ordinance or resolution in which
24 the municipal governing body elects to assess and pay interest
25 determined in accordance with Section 40-1-44, the applicable
26 interest rate to be charged by or due from the municipality
27 shall be one percent per month. References in this subsection

1 to "erroneously paid" taxes on which interest shall be due to
2 the taxpayer shall only mean and refer to taxes erroneously
3 paid to the self-administered municipality or its agent as a
4 result of any error, omission, or inaccurate advice by or on
5 behalf of the self-administered municipality, including in
6 connection with a prior examination of its books and records
7 by the self-administered municipality or its agent.

8 "(g) Notwithstanding subsection (f), the applicable
9 interest rate to be assessed on any tax delinquency or paid on
10 any refund of erroneously paid taxes with respect to all
11 municipal sales, use, rental, and lodgings tax levies
12 collected and administered by the Department of Revenue shall
13 be determined in accordance with Section 40-1-44.

14 "(h) For the purpose of this section, the terms
15 collection and administration shall be defined using the
16 definition provided for in Section 11-3-11.3(i), Code of
17 Alabama 1975.

18 "§11-51-210.

19 "(a) By December 31, 1998, the Department of Revenue
20 shall develop and promulgate in the form of a proposed agency
21 rule a standard multi-jurisdictional tax form and a singular
22 jurisdictional tax form for the reporting and payment of
23 municipal and county sales, use, rental, and lodgings taxes
24 for those municipalities and counties for which the department
25 serves as the collecting agent from time to time.

26 "(b) By December 31, 1998, a committee consisting of
27 three representatives appointed by the Alabama League of

1 Municipalities (ALM), who shall be municipal employees,
2 officials, or attorneys, and three representatives appointed
3 by the Association of County Commissions of Alabama (ACCA),
4 who shall be county employees, officials, or attorneys, shall
5 develop a standard multiple jurisdictional tax form and a
6 singular jurisdictional tax form for the reporting and payment
7 of all county and municipal sales, use, rental, and lodgings
8 taxes for all counties and municipalities, except
9 municipalities and counties that levy a gross receipts tax in
10 the nature of a sales tax, as defined in Section 40-2A-3(8),
11 that elects to be self-administered, as defined in Section
12 40-2A-3(21), from time to time. The committee shall also
13 establish procedures for issuance of an amended form to take
14 into account any new levies or changes in the tax rate or the
15 law. Once the form and procedures are developed by the
16 committee, they shall be distributed for comment to all
17 counties and municipalities, the Business Council of Alabama,
18 the Alabama Retail Association, the Alabama Chapter of the
19 National Federation of Independent Business, and the
20 Department of Revenue. Comments shall be returned to the
21 committee within 45 days. Following the close of the comment
22 period, the committee shall adopt a standard form and the
23 procedures for issuance of an amended form. The form and
24 procedure shall thereafter be distributed to self-administered
25 counties and municipalities with instructions that the
26 standard form shall be used by each self-administered county
27 and municipality.

1 "(c) On and after the first day of the third month
2 following the adoption of the standard tax forms prescribed by
3 subsection (a) and subsection (b), all municipalities and
4 counties administered by the department, and all
5 self-administered counties and municipalities, respectively,
6 shall accept the applicable form without material variation.
7 Subsequent changes to the form prescribed by subsection (b)
8 shall be effected in compliance with the procedures developed
9 by the committee. Any change in the tax rate shall take effect
10 without regard to the form in use.

11 "(d) Other than a self-administered county or
12 municipality that levies a gross receipts tax in the nature of
13 a sales tax, as defined in Section 40-2A-3(8), any county or
14 municipality levying or administering any one or more sales,
15 use, rental, or lodgings taxes shall accept, for reporting and
16 payment of taxes due that county or municipality, bulk
17 submissions of reports and, under regulations to be
18 promulgated by the self-administered county or municipality
19 affected, payments owed to such county or municipality made on
20 behalf of a taxpayer by its properly authorized representative
21 where such submissions are made using the appropriate form
22 developed under this section. Any such bulk submissions or
23 reports and payments shall include the municipality's or
24 county's assigned identification number for each such taxpayer
25 and vendee for each tax paid and contain sufficiently detailed
26 information by which each taxpayer and each vendee can be
27 identified such that a determination can be made as to the

1 amount and method of assessment of tax against such taxpayer
2 and vendee for the applicable county or municipality. The
3 acceptance by a county or municipality of such bulk
4 submissions shall not relieve the taxpayer on whose behalf
5 such submissions were made from liability for any sales, use,
6 rental, or lodgings tax arising from an error or omission made
7 by the taxpayer's representative. Any self-administered county
8 or municipality accepting such bulk submission may require
9 that the submission be signed by the taxpayer or its properly
10 authorized representative.

11 "(e) By June 30, 1998, every county and municipality
12 levying or administering a sales, use, rental, lodgings,
13 tobacco, gasoline, or ad valorem tax as of June 1, 1998, shall
14 submit to the Department of Revenue a list of the taxes then
15 levied or administered by that county or municipality and the
16 current rates thereof. Thereafter, every county and
17 municipality levying or administering a new sales, use,
18 rental, lodgings, tobacco, gasoline, or ad valorem tax or
19 amending an existing sales, use, rental, lodgings, tobacco,
20 gasoline, or ad valorem tax levy shall submit to the
21 department written notification of the new tax levy or the
22 amendment of an existing tax levy, in a manner as prescribed
23 by the department, at least ~~30~~ 60 days prior to the effective
24 date of the tax or amendment. The department will send return
25 confirmation of the notification of the tax levy or amendment
26 of an existing tax levy to the county or municipality no later
27 than the first day of the second month following receipt of

1 proper notification by the county or municipality to the
2 department. The effective date of the tax levy or amendment of
3 an existing tax levy shall be the first day of the third month
4 following the department's receipt of proper notification as
5 required herein. However, failure to notify the department, as
6 required by this subsection, shall not invalidate the levy of
7 the tax but shall relieve the taxpayer of liability for having
8 charged and collected an incorrect rate as provided herein.

9 The department shall compile this information into a ~~written~~
10 publication which shall be published ~~and issued~~ on a monthly
11 basis to each municipal and county governing authority,
12 private auditing firm, as defined in Section 40-2A-3(17), and
13 to others who have so requested the publication. This ~~written~~
14 publication shall provide a then current listing of each
15 county and municipality levying or administering a sales, use,
16 rental, lodgings, tobacco, gasoline, or ad valorem tax and the
17 current rate thereof. Beginning March 1, 2016 any taxpayer
18 collecting sales, use, rental, or lodgings tax in compliance
19 with the tax rates published by the department as required by
20 this subsection shall be relieved from liability to Alabama
21 and its local jurisdictions for having charged and collected
22 an incorrect rate based upon the rate published by the
23 department. Should the rate published by the department and
24 relied upon by the taxpayer be in conflict with the return
25 confirmation provided to the county or municipality as
26 required by this subsection, the department shall be
27 responsible for any refund due to a taxpayer for such taxes

1 due Alabama and its local jurisdictions. Such liability shall
2 only be applicable for a period, not to exceed one year, from
3 the date the incorrect rate was published by the department.
4 Notwithstanding the preceding requirement regarding refunds to
5 taxpayers, should a county or municipality fail to properly
6 notify the department of a new levy or amendment to an
7 existing levy, the department shall not be held liable or
8 responsible for any refunds to a taxpayer for the reliance on
9 rates published by the department. Proper notification of a
10 new levy or amendment to an existing levy shall be in a manner
11 as prescribed by the department. A taxpayer shall not be
12 relieved of liability for the proper amount of taxes owed even
13 though the published tax rate or levy was in error. However,
14 no penalties or interest for late payment or underpayment of
15 taxes shall begin to accrue until the proper tax rate or levy
16 has been on file at the department for at least ~~30~~ 60 days,
17 unless the taxpayer had actual knowledge of the correct tax
18 rate or levy as of an earlier date.

19 "(f) For the purpose of this section, the terms
20 collection and administration shall be defined using the
21 definition provided for in Section 11-3-11.3(i), Code of
22 Alabama 1975.

23 "§40-12-4.

24 "(a) In order to provide funds for public school
25 purposes, the governing body of each of the several counties
26 in this state is hereby authorized by ordinance to levy and
27 provide for the assessment and collection of franchise, excise

1 and privilege license taxes with respect to privileges or
2 receipts from privileges exercised in such county, which shall
3 be in addition to any and all other county taxes heretofore or
4 hereafter authorized by law in such county. Such governing
5 body may, in its discretion, submit the question of levying
6 any such tax to a vote of the qualified electors of the
7 county. If such governing body submits the question to the
8 voters, then the governing body shall also provide for holding
9 and canvassing the returns of the election and for giving
10 notice thereof. All the proceeds from any tax levied pursuant
11 to this section less the cost of collection and administration
12 thereof shall be used exclusively for public school purposes,
13 including specifically and without limitation capital
14 improvements and the payment of debt service on obligations
15 issued therefor.

16 "(b) Notwithstanding anything to the contrary
17 herein, ~~said~~ the governing body shall not levy any tax
18 hereunder measured by gross receipts, except a sales or use
19 tax which parallels, except for the rate of tax, that imposed
20 by the state under this title. Any such sales or use tax on
21 any automotive vehicle, truck trailer, trailer, semitrailer,
22 or travel trailer required to be registered or licensed with
23 the probate judge, where not collected by a licensed Alabama
24 dealer at time of sale, shall be collected and fees paid in
25 accordance with the provisions of Sections 40-23-104 and
26 40-23-107, respectively. No such governing body shall levy any
27 tax upon the privilege of engaging in any business or

1 profession unless such tax is levied uniformly and at the same
2 rate against every person engaged in the pursuit of any
3 business or profession within the county; except, that any tax
4 levied hereunder upon the privilege of engaging in any
5 business or profession may be measured by the number of
6 employees of such business or the number of persons engaged in
7 the pursuit of such profession. In all counties having more
8 than one local board of education, revenues collected under
9 the provisions of this section shall be distributed within
10 such county on the same basis of the total calculated costs
11 for the Foundation Program for those local boards of education
12 within the county.

13 "(c) For the purpose of this section, the terms
14 collection and administration shall be defined using the
15 definition provided for in Section 11-3-11.3(i), Code of
16 Alabama 1975.

17 "§40-12-7.

18 "(a) All such taxes collected and administered by
19 the Department of Revenue shall be collected and remitted to
20 the governing bodies of the various counties in the manner as
21 provided for the collection and administration of taxes for
22 cities or towns as provided in Sections 11-51-180 through
23 11-51-185, and the Department of Revenue is authorized to
24 charge the counties for collecting and administering said
25 taxes its actual cost, not to exceed ~~five~~ two percent of the
26 amount collected, and to do any and all things pertaining to
27 the collection and administration of said taxes for the

1 various counties as ~~said~~ the department is authorized to do in
2 collecting and administering taxes for cities and towns as
3 provided in Sections 11-51-180 through 11-51-185.

4 "(b) For the purpose of this section, the terms
5 collection and administration shall be defined using the
6 definition provided for in Section 11-3-11.3(i), Code of
7 Alabama 1975."

8 Section 2. Section 11-51-210.1, Code of Alabama
9 1975, is enacted to read as follows.

10 "§11-51-210.1.

11 "No later than October 1, 2015, the department shall
12 send notice to every county or municipality levying a sales,
13 use, rental, or lodgings tax regarding the rates of such taxes
14 according to the records held by the department. Each county
15 and municipality shall notify the department of an existing
16 erroneous rate published by the department no later than
17 December 1, 2015. The county or municipality notifying the
18 department of such rate error shall send written confirmation,
19 on county or municipal letterhead, to the department listing
20 the erroneous rate published by the department and the
21 corrected rate along with supporting ordinances, resolutions,
22 or documentation. If the county or municipality fails to
23 respond to the department regarding an erroneously published
24 rate pursuant to this section, the taxpayer shall be relieved
25 from liability to the local jurisdiction for having charged
26 and collected the incorrect amount of tax on or after March 1,
27 2016 based upon the rates published by the department on March

1 1, 2016. Should the county or municipality properly respond
2 and notify the department regarding the erroneously published
3 rate, and the rate published by the department and relied upon
4 by the taxpayer is in conflict with the response provided by
5 the county or municipality as required by this section, the
6 department shall be responsible for any refund due to a
7 taxpayer for such taxes due Alabama and its local
8 jurisdictions. Such liability shall only be applicable for a
9 period, not to exceed one year, from the date the incorrect
10 rate was published by the department."

11 Section 3. Section 1 of this act shall become
12 effective on March 1, 2016 following its passage and approval
13 by the Governor, or its otherwise becoming law. Section 2 of
14 this act shall become effective immediately following its
15 passage and approval by the Governor, or its otherwise
16 becoming law.

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Senate

Read for the first time and referred to the Senate
committee on Governmental Affairs..... 02-APR-15

Read for the second time and placed on the calen-
dar 1 amendment..... 07-APR-15

Read for the third time and passed as amended 16-APR-15

Yeas 30
Nays 0

Patrick Harris
Secretary