

# Revenue REVIEW

3rd Quarter  
FY 2014  
(April, May, June 2014)

A Quarterly Publication of the Alabama Department of Revenue

## ADOR Reps Attend Bill Signing

ADOR representatives recently attended the ceremonial signing for House Bill 404 (Act 2014-262), which becomes effective on Oct. 1, 2014. The tobacco tax bill adds a definition for semi-jobber, separates filtered cigarette-sized cigars from little cigars, revises invoice and reporting requirements, amends tobacco confiscation procedures, requires a website listing of distributors, and imposes additional non-compliance penalties.



Gov. Robert Bentley (seated) is joined by (1st row, left to right): Rep. Mike Jones, industry representatives Butch DiChiara, Paul DiChiara and Ellie Taylor; ADOR Business and License Tax Division's Loretta Nelson and Alisa Johnson; (back row, left to right): industry representative Phil Norris; ADOR Business and License Tax Division's Randy Winkler, ADOR Tax Policy and Research Division Director Mike Gamble, ADOR Business and License Tax Division's Brian Richardson, ADOR Business and License Tax Division Director Janet Stathopoulos, and ADOR Commissioner Julie Magee.

# ADOR Training

## ADOR Reps Attend Training Seminar

Auburn University's Center for Governmental Services Office offered a two-day program April 9 and 10 for employees involved in the training of state and/or county employees and taxpayers. The Train the Trainer Program is designed to enhance presentation techniques and student interaction skills.



Front row, left to right: Kristy Gadson (Sales & Use Tax, Jefferson/Shelby TPSC); Vicki Gardino (Sales & Use Tax, Dothan TPSC); Amanda Wolfe (Property Tax); back row, left to right: Clay Henley (Montgomery County Chief Appraiser); Jeremy Calloway (Property Tax); Owen Carothers (Sales & Use Tax); Michele Mayberry (Sales & Use Tax Manager, Mobile TPSC); Barry Willingham (Cullman County Revenue Commissioner); Matt Lewis (Sales & Use Tax, Mobile TPSC).

# Basic Audit Training Completion

Recently, ADOR's newest Sales and Use Tax Revenue Examiner I's completed Basic Audit Training I and II. Following are the trainees.



First row: Christina Moss, Auburn TSC; Tina Miller, Audit Verification; Pettus Strong III, Jeff-Shelby TSC; Owen Carothers, Central Office & Logistics; Jasmin Evans, Auburn TSC. Second row: Veronica Hemphill, Jeff-Shelby TSC; Cindy Reaser, Foreign Audit; Danielle Mitchell, Foreign Audit; Cheronica Morris, Montgomery TSC; Yveya Bryant, Montgomery TSC; Sierra Shirah, Dothan TSC; Kimberly Roberts, Jeff-Shelby TSC; Michele Mayberry, Instructor, Mobile TSC; Third row: William Jamar, Instructor, Huntsville, TSC; Russell Jones, Instructor, Huntsville TSC; Patrice Miller, Dothan TSC; Jason Jones, Huntsville TSC; Keith Hermeling, Tuscaloosa TSC; Tony Clay, Dothan TSC; Thomas Hogg, Mobile TSC; Scott McDonald, Mobile TSC.

# Motor Vehicle Reps Give Presentations at IRP 2014 Annual Meeting



Jay Starling addresses the membership.

Motor Vehicle representatives Jay Starling and Renee Kyser made presentations at the 2014 International Registration Plan Annual Meeting in Albuquerque, N.M., May 13-14. Motor Vehicle Assistant Director Jay Starling presented the Full Reciprocity Plan to the IRP membership. According to the IRP website, This plan (FRP) will change the Plan to make it more efficient, more equitable and more flexible for its member jurisdictions and registrants by granting full reciprocity for all apportioned vehicles in all member IRP jurisdictions and removing from the Plan any provisions related to estimated distance.

Renee Kyser, past chair of the PRC, went out a day early for the Peer Review Committee meeting, where she worked with other committee members to revise the current compliance guide. She also presented an audit ballot to the membership on behalf of the jurisdiction representative from Nebraska who was delayed due to travel woes.



Renee (right) works with current vice-chair Jerri Hunter, Idaho, on compliance guide revisions.

# Mobile TSC Reps Attend Convention/Expo

Sales and Use Tax's Ashley Hancock and Matthew Lewis represented the department at the recent 2014 Alabama League of Municipalities Annual Convention and Expo in Mobile. According to Supervisor Michele Mayberry, The department received many compliments on One Spot from both

municipal officers and retail vendors participating in the convention.

Launched last October, One Spot is a free Internet filing and payment portal that allows business taxpayers to file and pay state, county, and city sales, use, and rental taxes all in one place.



Ashley Hancock (left) and Matthew Lewis

# Arrests and Convictions

## Revenue Commissioner, Attorney General Announce Conviction of Mobile Police Officer for Income Tax Evasion

On May 8, 2014, State Revenue Commissioner Julie P. Magee and Attorney General Luther Strange announced the conviction of Mobile police officer Donald Pears, 61, for state income tax evasion and filing a false Alabama individual income tax return under penalties of perjury.

The Attorney General's Special Prosecutions Division partnered with the Alabama Department of Revenue, a member of the Attorney General's Special Prosecutions Alliance, in investigating this case. The Attorney General's Office presented evidence to a Mobile County grand jury on December 9, 2013, resulting in Pears' indictment.

Pears pleaded guilty before Mobile County Circuit Judge Charles A. Graddick to one count of willful attempt to evade or defeat 2007 state income taxes and one count of willfully filing a fraudulent 2007 state income tax return.

On June 19, 2014, Pears was sentenced to five years in jail, which was suspended with supervised probation for five years. He was ordered to perform 160 hours of community service and pay court costs and restitution in the amount of \$19,708.14.

Pears attempted to evade paying state income taxes by falsely claiming he was exempt from income tax withholding. He claimed exempt status and had zero tax withholding from his paycheck for multiple years. When he did file an income tax return, it was a false and fraudulent return submitted under penalty of perjury because he failed to report significant income.

I am proud of the accomplishments of the Special Prosecutions Alliance and of the partnership we have with the Department of Revenue in investigations and prosecutions such as this, said Attorney

General Strange. Misrepresenting one's status or income to avoid paying taxes is a serious crime, and our message is that we will vigorously investigate and prosecute these cases.

This is the first of many more cases being investigated by the ADOR involving Alabamians who have fraudulently evaded income taxes by having no tax withheld from their paychecks when they should, and then either filing fraudulent returns or not filing Alabama income tax returns at all, said Commissioner Magee.

Our means of detecting such fraudulent activities are improving greatly as we implement more and more discovery measures offered through our information technology capabilities, and, as we do so, we are finding a large area of non-compliance in Alabama's withholding tax laws, ranging from public to private sector employment, explained Commissioner Magee.

Attorney General Strange commended Assistant Attorney General Bill Lisenby of his Special Prosecutions Division for his excellent work in this case. He also thanked Alabama Revenue Commissioner Julie P. Magee, Assistant Attorney General and Assistant Counsel Glen Powers and agents of the Alabama Department of Revenue for their successful handling of the case.

## Revenue Commissioner Julie P. Magee Announces Convictions and an Arrest in Related Tax Evasion/State Ethics Violation Cases

On Thursday, May 22, 2014, State Revenue Commissioner Julie P. Magee announced the convictions of two former state employees on tax evasion charges and the arrest of another state employee, in a separate case, on similar tax evasion charges.

The Alabama Department of Revenue partnered with the Attorney General's Special Prosecutions Division in prosecuting these cases. According to State Revenue Commissioner Magee, additional cases are said to be forthcoming as a result of these investigations.

Michelle Irvin Zeigler, 50, of Prattville, was convicted on her plea of guilty before Montgomery County Circuit Judge Truman Hobbs on Monday, May 19, 2014, to one count of willful attempt to evade or defeat 2007 state income taxes and to one count of using her position as a public employee to obtain personal gain for herself in violation of Section 36-25-5(a), *Code of Alabama 1975*. Zeigler was sentenced to two years in jail for each count (to run concurrently) suspended with two years' supervised probation, and was ordered to pay restitution to the Alabama Department of Revenue in the amount of \$13,499.23, in addition to court costs.

Judy Smith Horn, 48, of Montgomery, was convicted on her plea of guilty before Montgomery County Circuit Judge Truman Hobbs on Monday, May 19, 2014, to one count of willful attempt to evade or defeat 2008 state income taxes. Horn was sentenced to two years in jail, suspended with supervised probation for two years. She was ordered to pay court costs and restitution in the amount of \$6,065.13.

In a separate case, Shirley Jean Walters, 54, of Montgomery, surrendered to Montgomery County Sheriff's Office on May 21, 2014, on charges of state income tax evasion and state ethics violation for using her position for personal gain.

The indictment\* charges Walters with four counts of state income tax evasion under Section 40-29-110, *Code of Alabama 1975*, for tax years 2008, 2009, 2010 and 2011. She is also charged with one count of using her position as a public employee to obtain personal gain for herself in violation of Section 36-25-5(a), *Code of Alabama 1975*. Walters allegedly used her position as Personnel Assistant with the Alabama Department of Corrections to change her Alabama income tax withholding status to exempt or zero withholding for her state wages in the state payroll and personnel computer system, the Government Human Resources System (GHRS).

If convicted, Walters faces a possible sentence of up to five years imprisonment and/or fines up to \$100,000 for each of the four counts of evasion, and penalties of two to 20 years imprisonment and/or fines up

to \$30,000 for the ethics violation charge.

No further information about the indictment or about Walter's alleged crimes, other than that stated in the indictment, may be released at this time.

It is a misdemeanor to falsely claim exemption from income tax withholding or to fraudulently exaggerate dependent exemptions on either state or federal income withholding tax forms. When combined with failing to file and/or pay income taxes for the year, it becomes a felony. We expect many more investigations and prosecutions of employees in the coming months for similar crimes, said Commissioner Magee.

*\*An indictment is merely an accusation. The defendant is presumed innocent unless and until proven guilty.*

## 2014 Back-to-School Sales Tax Holiday Set Aug. 1 through Aug. 3

Alabama's ninth annual Back-to-School Sales Tax Holiday will be held Friday, Aug. 1, through Sunday, Aug. 3, 2014, announced State Revenue Commissioner Julie P. Magee.

To allow retailers sufficient time to prepare for the annual Back-to-School Sales Tax Holiday, local governments were to notify the Alabama Department of Revenue (ADOR) by July 1, 2014, of their decisions regarding their participation in this year's sales tax holiday.

The ADOR uses this information to compile a listing of all cities and counties participating in the 2014 Back-to-School Sales Tax Holiday. Alabama retailers and consumers rely on this information to learn which cities and counties are participating each year. Last year, over 280 local governments joined the state in waiving their local sales tax during the Back-to-School Sales Tax Holiday, explained Magee.

A provision in the Back-to-School Sales Tax Holiday law allows counties and municipalities to join the state by removing their own local sales and use taxes from the same items during the same weekend.

Covered items include:

- clothing costs up to \$100 per item;
- computers, software and computer supplies costing up to \$750 per item;
- school supplies and textbooks up to \$50 per item; and
- other books up to \$30 each.

To see which local governments are participating, as well as to get more detailed information about the Back-to-School Sales Tax Holiday, visit ADOR's website at <http://revenue.alabama.gov/salestax/SalesTaxHol.cfm>.

## Alabama Tax Filing Extensions Offered to Storm Victims in Nine Alabama Counties

The Alabama Department of Revenue (ADOR) announced that it will offer individual and business taxpayers impacted by the recent severe storms, tornadoes, straight-line winds and flooding that occurred beginning April 28, 2014, in parts of Alabama similar Alabama tax filing extensions as offered by the Internal Revenue Service.

The Alabama tax relief offered allows taxpayers located in the federally-declared disasters areas of Baldwin, Blount, DeKalb, Etowah, Jefferson, Lee, Limestone, Mobile, and Tuscaloosa counties, or whose business operations are located in those counties, until Oct. 15, 2014, to file certain Alabama tax returns that have a due date falling between April 28, 2014, and Oct. 15, 2014. This relief includes:

- Income Tax Withholding returns due for monthly filers May 15, 2014; June 16, 2014; July 15, 2014; Aug. 15, 2014; and Sept. 15, 2014.
- Income Tax Withholding quarterly returns due for quarterly filers July 31, 2014.
- Estimated Personal Income Tax returns due June 16, 2014, and Sept. 15, 2014.
- Estimated Corporate Income Tax returns (for calendar year taxpayers) due

June 16, 2014, and Sept. 15, 2014.

- Any other related income tax returns due during this extension period, including Business Privilege Tax returns, as well as those related returns filed by Pass-through Entities.

Late filing and payment penalties will be waived upon request for those affected taxpayers seeking this relief. **Alabama's tax laws have no provision for the waiver of interest.**

Relief measures for other taxes administered by the ADOR will be handled on a case-by-case basis.

The ADOR advises those affected taxpayers to identify their returns/reports by writing in red ink **April 2014 Storms** on any state paper return/report which relies on this filing extension relief. Those taxpayers filing electronic returns and seeking tax relief should contact the appropriate ADOR division office. Contact telephone numbers are provided below. Income Tax Withholding – (334) 242-1300  
Estimated Personal Income Tax – (334) 242-1099

Corporate Income Tax – (334) 242-1200  
Pass-through Entities – (334) 242-1033  
Business Privilege Tax – (334) 353-7923

Reference: FEMA DR-4176-AL

ADOR ORDER, dated May 12, 2014:

[http://revenue.alabama.gov/news/05122014\\_1.pdf](http://revenue.alabama.gov/news/05122014_1.pdf)

## Administrative Rules

### **Effective April 11, 2014:**

#### **Amended:**

810-5-1-.233 Proof of Payment of Federal Heavy Vehicle Use Tax  
810-14-1-.15 Entry of Final Assessment

### **Effective May 9, 2014:**

#### **Adopted:**

810-3-29-.05 Requirements for Electronic Filing Software

#### **Amended:**

810-3-39-.10 Requirements for Electronic Filing Software  
810-3-28-.05 Requirements for Electronic Filing Software

# IRS NEWS

## Tax Relief for Severe Storms, Tornadoes, Straight-line Winds and Flooding in Alabama

*Updated May 9, 2014 to include Blount, DeKalb, Etowah, Mobile, and Tuscaloosa counties.*

### **AL/TN-2014-20AL, May 5, 2014**

NASHVILLE — Victims of the severe storms, tornadoes, straight-line winds and flooding that took place beginning on April 28, 2014 in parts of Alabama may qualify for tax relief from the Internal Revenue Service.

Following recent disaster declarations for individual assistance issued by the Federal Emergency Management Agency, the IRS announced today that affected taxpayers in Alabama will receive tax relief, and other locations may be added in coming days based on additional damage assessments by FEMA.

The President has declared Baldwin, Jefferson, Lee, and Limestone counties a federal disaster area. Individuals who reside or have a business in these counties may qualify for tax relief.

The declaration permits the IRS to postpone certain deadlines for taxpayers who reside or have a business in the disaster area. For instance, certain deadlines falling on or after April 28, and on or before Oct. 15, have been postponed to Oct. 15, 2014. This includes the May 15 deadline for many tax-exempt organizations to file their annual Form 990. It also includes the June 16 and Sept. 15 deadlines for making quarterly estimated tax payments. A variety of business tax deadlines are also affected including the April 30 and July 31 deadlines for quarterly payroll and excise tax returns.

In addition, the IRS is waiving the failure-to-deposit penalties for employment and excise tax deposits due on or after April 28, and on or before May 13, as long as the deposits are made by May 13, 2014.

If an affected taxpayer receives a

penalty notice from the IRS, the taxpayer should call the telephone number on the notice to have the IRS abate any interest and any late filing or late payment penalties that would otherwise apply. Penalties or interest will be abated only for taxpayers who have an original or extended filing, payment or deposit due date, including an extended filing or payment due date, that falls within the postponement period.

The IRS automatically identifies taxpayers located in the covered disaster area and applies automatic filing and payment relief. But affected taxpayers who reside or have a business located outside the covered disaster area must call the IRS disaster hotline at 866-562-5227 to request this tax relief.

### **Covered Disaster Area**

The counties listed above constitute a covered disaster area for purposes of Treas. Reg. § 301.7508A-1(d)(2) and are entitled to the relief detailed below.

### **Affected Taxpayers**

Taxpayers considered to be affected taxpayers eligible for the postponement of time to file returns, pay taxes and perform other time-sensitive acts are those taxpayers listed in Treas. Reg. § 301.7508A-1(d)(1), and include individuals who live, and businesses whose principal place of business is located, in the covered disaster area. Taxpayers not in the covered disaster area, but whose records necessary to meet a deadline listed in Treas. Reg. § 301.7508A-1(c) are in the covered disaster area, are also entitled to relief. In addition, all relief workers affiliated with a recognized government or philanthropic organization assisting in the relief activities in the covered disaster area and any individual visiting the covered disaster area who was killed or injured as a result of the disaster are entitled to relief.

### **Grant of Relief**

Under section 7508A, the IRS gives affected taxpayers until Oct. 15 to file most tax returns (including individual, corporate, and estate and trust income tax returns; partnership returns, S corporation returns, and trust returns; estate, gift, and

generation-skipping transfer tax returns; and employment and certain excise tax returns), or to make tax payments, including estimated tax payments, that have either an original or extended due date occurring on or after April 28 and on or before Oct. 15.

The IRS also gives affected taxpayers until Oct. 15 to perform other time-sensitive actions described in Treas. Reg. § 301.7508A-1(c)(1) and Rev. Proc. 2007-56, 2007-34 I.R.B. 388 (Aug. 20, 2007), that are due to be performed on or after April 28 and on or before Oct. 15.

This relief also includes the filing of Form 5500 series returns, in the manner described in section 8 of Rev. Proc. 2007-56. The relief described in section 17 of Rev. Proc. 2007-56, pertaining to like-kind exchanges of property, also applies to certain taxpayers who are not otherwise affected taxpayers and may include acts required to be performed before or after the period above.

The postponement of time to file and pay does not apply to information returns in the W-2, 1098, 1099 series, or to Forms 1042-S or 8027. Penalties for failure to timely file information returns can be waived under existing procedures for reasonable cause. Likewise, the postponement does not apply to employment and excise tax deposits. The IRS, however, will abate penalties for failure to make timely employment and excise tax deposits due on or after April 28 and on or before May 13 provided the taxpayer makes these deposits by May 13, 2014.

### **Casualty Losses**

Affected taxpayers in a federally declared disaster area have the option of claiming disaster-related casualty losses on their federal income tax return for either this year or last year. Claiming the loss on an original or amended return for last year will get the taxpayer an earlier refund, but waiting to claim the loss on this year's return could result in a greater tax saving, depending on other income factors.

Individuals may deduct personal property losses that are not covered by insurance or other reimbursements. For details, see Form 4684 and its instructions.

Affected taxpayers claiming the disaster loss on last year's return should put the Disaster Designation Alabama/Severe Storms, Tornadoes, Straight-line Winds and Flooding at the top of the form so that the IRS can expedite the processing of the refund.

**Other Relief**

The IRS will waive the usual fees and expedite requests for copies of previously filed tax returns for affected taxpayers. Taxpayers should put the assigned Disaster Designation in red ink at the top of Form 4506, Request for Copy of Tax Return, or Form 4506-T, Request for Transcript of Tax Return, as appropriate, and submit it to the IRS.

Affected taxpayers who are contacted by the IRS on a collection or examination matter should explain how the disaster impacts them so that the IRS can provide appropriate consideration to their case.

Taxpayers may download forms and publications from the official IRS website, irs.gov, or order them by calling 800-TAX-FORM (800-829-3676). The IRS toll-free number for general tax questions is 800-829-1040.

**Related Information**

Disaster Assistance and Emergency Relief for Individuals and Businesses

Recent IRS Disaster Relief Announcements

**Interest Rates Remain the Same for 3rd Quarter of 2014**

Interest rates for the calendar quarter beginning July 1, 2014, will remain at three (3) percent, according to Revenue Ruling 2014-14, to appear in Internal Revenue Bulletin No. 2014-27, dated June 30, 2014.

Under Sect. 40-1-44, Code of Alabama 1975, the Department of Revenue will calculate interest on underpayments and overpayments (where applicable) at this same annual rate (3 %); however, land sold by the state for taxes, shall be calculated at 12% in accordance with Sect. 40-5-9. (Historical rates shown right.)

**Statement of Gross Tax Collections**

Through End of 3rd Quarter FY 2014

(April, May, June 2014)

	FYTD 2013-14	FYTD 2012-13	% Change
Business Privilege Tax	\$ 115,009,524.72	\$ 121,520,951.05	(5.36)
Gasoline	299,393,271.32	297,117,292.97	0.77
Income Tax-Corporate	351,805,589.51	370,269,381.30	(4.99)
Income Tax-Individual	2,907,538,123.84	2,927,954,688.39	(0.70)
<b>Income Tax (Total)</b>	<b>3,259,343,713.35</b>	<b>3,298,224,069.69</b>	<b>(1.18)</b>
Motor Fuels	104,825,139.23	101,000,441.72	3.79
Oil & Gas Privilege (8%)	64,638,972.46	65,078,002.38	(0.67)
Oil & Gas Production (2%)	20,553,405.66	21,615,270.88	(4.91)
Sales	1,547,534,130.70	1,516,570,783.74	2.04
Use Tax	238,018,403.90	236,278,553.68	0.74
Utility Gross Receipts	304,023,354.41	295,331,229.69	2.94
<b>SUBTOTAL</b>	<b>\$5,953,339,915.75</b>	<b>\$5,952,736,595.80</b>	<b>0.01</b>
<b>SUBTOTAL (OTHER TAXES)</b>	<b>\$1,261,814,169.79</b>	<b>\$1,235,700,783.65</b>	<b>2.11</b>
<b>TOTAL (ALL TAXES)</b>	<b>\$7,215,154,085.54</b>	<b>\$7,188,437,379.45</b>	<b>0.37</b>

**Interest Rates By Calendar Quarter**

(Established by: 26 USCA §6621; §40-1-44, Code of Alabama 1975)

	1ST QTR	2ND QTR	3RD QTR	4TH QTR
<b>2001</b>	9%	8%	7%	7%
<b>2002</b>	6%	6%	6%	6%
<b>2003</b>	5%	5%	5%	4%
<b>2004</b>	4%	5%	4%	5%
<b>2005</b>	5%	6%	6%	7%
<b>2006</b>	7%	7%	8%	8%
<b>2007</b>	8%	8%	8%	8%
<b>2008</b>	7%	6%	5%	6%
<b>2009</b>	5%	4%	4%	4%
<b>2010</b>	4%	4%	4%	4%
<b>2011</b>	3%	4%	4%	3%
<b>2012</b>	3%	3%	3%	3%
<b>2013</b>	3%	3%	3%	3%
<b>2014</b>	3%	3%	3%	

# General Revenue Related Acts

## 2014 Regular Session

### Act 2014-015 (SB 207)

#### ***Prohibits Imposition of Business License Tax on Rental of Residential Real Estate on Per Unit Basis***

This act prohibits a municipality from imposing a business license tax on the rental of residential real estate on a per unit basis unless the municipality was imposing a business license tax on residential real estate on a per unit basis prior to January 1, 2014; term business license tax does not include a privilege or license tax in the nature of a lodging tax; this act does not prohibit a municipality or related board or entity from imposing fees on commercial or residential developments or projects.

*Effective Date: February 18, 2014*

### Act 2014-133 (SB 173)

#### ***Requires state, Counties, Municipalities and Other Governmental Entities to Disclose Certain Information Following the Purchase of Real Property***

This act requires the state, a county, a municipality, any other governmental entity, or any quasi-governmental entity to disclose information concerning the purchase of any real property with public funds within 60 days following the purchase; if the purchase is tied to a specific economic development project, disclosure is not required until 60 days following the announcement of the project; if purchase is tied to an acquisition for public utility or public works purposes as a part of a single project or the acquisition of rights-of-way, disclosure is not required until 60 days following the acquisition of the last parcel of property; the disclosure required will include any appraisals done on the property, any contracts related to the purchase, all terms of the purchase, the source of all funds used in the purchase and any other related materials; the required disclosure of appraisal information will be limited to the property identification, appraiser identification, date of appraisal and the appraised value; the disclosure will be made via a report available to the public, will be attached to the minutes for the next scheduled meeting of the body following the purchase and, if applicable, will be published on the body's website; disclosure is not required if the decision to purchase the property is made at an open meeting of the purchasing entity for which advance notice was given as required by law and the minutes of that meeting include all of the required disclosure information.

*Effective Date: June 1, 2014*

### Act 2014-144 (HB 02)

#### ***Alabama Limited Liability Company Law of 2014***

This act adds Chapter 5A of Title 10A, comprised of Sections 10A-5A-1.01 to 10A-5A-12.08, to the *Code of Alabama 1975*; amends Sections 10A-1-1.03 and 10A-1-1.08; Sections 10A-5-1.01 to 10A-5-9.06 will be repealed on January 1, 2017; states that a member of a Limited Liability Company (LLC) is not liable for a debt, obligation or liability of the LLC or a series thereof; provides that members can be relieved of liability if they relied in good faith on the records of the entity or a statement by another member; LLC is allowed to re-instate after dissolution and can set up series of assets with only certain members of the entity - like a division within the LLC; protects the series of assets from other liabilities of the entity; a Single Member LLC is included as an organization under this act for means of limiting liability; if a company converts to a LLC, the debts do not transfer to the converted organization; provides for claims against dissolved series; governs all LLCs formed after January 1, 2015, except an LLC that elects to be subject to this chapter.

*Effective Date: January 1, 2015. Repealed Sections effective January 1, 2017.*

### Act 2014-146 (HB 105)

#### ***Creates the Alabama Tax Tribunal***

This act adds Chapter 2B to Title 40 of the *Code of Alabama 1975*; amends Sections 40-2A-3, 40-2A-4, 40-2A-5, 40-2A-7, 40-2A-8 and 40-18-27; repeals Section 40-2A-9; creates an independent executive branch agency, the Alabama Tax Tribunal; replaces the Administrative Law Division with the tribunal and Administrative Law Judge within the Department of Revenue for hearing appeals of tax matters and other matters of the Department of Revenue as well as certain participating self-administered counties and cities; provides hiring and replacement of a judge or judges of the tribunal and for the functions of the tribunal; judges required to have the requisite knowledge and experience to hear and resolve disputes between taxpayers and the Department of Revenue or taxpayers and any self-administered county or municipality that has elected to participate with the tribunal; creates an Associate Alabama Tax Tribunal Judge and a Chief Alabama Tax Tribunal Judge or Chief Judge; self-administered counties or municipalities participating with the tribunal will have the same authority provided to the Commissioner of the Department of Revenue relating to installment payments with respect to taxes administered or collected by the self-administered county or municipality; revises the date the final assessment was made from the time it was entered to the date the assessment was mailed.

*Effective Date: This act applies to: 1) all proceedings commenced in the Alabama Tax Tribunal on or after October 1, 2014, and 2) all administrative proceedings commenced prior to October 1, 2014, that have not been the subject of a final and irrevocable administrative action as of October 1, 2014. Any administrative proceeding where a hearing commenced prior to October 1, 2014, will be transferred to the Alabama Tax Tribunal.*

*This act will not affect any proceeding, prosecution, action, suit or appeal commenced in the judicial branch before October 1, 2014. The appointment of a chief judge to the Alabama Tax Tribunal will take effect on July 1, 2014.*

#### **Act 2014-147 (HB 384)**

##### **Income Tax Credit for Contributions to Qualifying Educational Expenses Directly Associated with Career-Technical Enrollment Program**

This act provides a state income tax credit to individuals and businesses that make contributions to the Department of Post-secondary Education for qualifying educational expenses directly associated with the Career-Technical Dual Enrollment Program as defined by the State Board of Education; credit may be claimed by the taxpayer, who is not a dependent of another taxpayer; amount of the credit is equal to 50% of the total contribution, but cannot exceed 50% of the taxpayer's total Alabama income tax liability, and in no case more than \$500,000 for any given tax year; any unused portion of the credit may be carried forward for 3 years; the cumulative amount of tax credits issued pursuant this act shall not exceed \$5,000,000 annually; the Department of Revenue, in conjunction with Department of Post-secondary Education, is responsible for developing procedures to notify the taxpayers when the \$5,000,000 annual limitation has reached; the Commissioner of Revenue shall annually report the total amount of tax credits claimed and authorized as per this act, on or before the fifteenth day of each regular session, to the Director of Finance, the Chair of the House Ways and Means Education Committee, and the Chair of the Senate Finance and Taxation Education Committee.

*Effective Date: March 11, 2014. The tax year beginning date for the credit is January 1, 2015.*

#### **Act 2014-157 (HB 365)**

##### **Creates the Facilitating Business Rapid Response to Declared Disasters Act of 2014**

This act creates the Facilitating Business Rapid Response to Declared Disasters Act of 2014; provides for establishing presence, residency, or doing business in the state for out-of-state businesses, including affiliates of in-state businesses, that temporarily provide resources and personnel in the state during a state of emergency declared by either the Governor, the President of the United States, the Legislature, or other authorized representative; provides that out-of-state businesses will be authorized to repair, renovate, install, as well as provide services for business activities that relate to infrastructure that has been damaged, impaired or destroyed; provides that out-of-state businesses will be exempt from income tax or other business taxes and exempts them from the payment of use tax on equipment brought into the state during a disaster period.

*Effective Date: March 13, 2014*

#### **Act 2014-158 (HB 400)**

##### **Establishes a Uniform Motor Vehicle Dealer License**

This act amends Sections 40-12-264, 40-12-390, 40-12-391, 40-12-392, 40-12-395, 40-12-396, 40-12-398 and 40-12-400; requires a uniform motor vehicle dealer license for all motor vehicle dealers except dealers selling only utility trailers or non-title trailers; dealer must present dealer regulatory license and applicable dealer privilege license to obtain dealer license plates; allows a new motor vehicle dealer to purchase a maximum combined total of 25 dealer and motorcycle dealer license plates; allows a used motor vehicle dealer to purchase a maximum combined total of 10 dealer and motorcycle license plates; allows any new or used dealer who completes 1,500 or more applications for title involving title transfer to purchase a maximum 25 additional combined dealer and motorcycle license plates; allows county license plate officials to charge an additional \$1.75 issuance fee for manufacturer license plate to be deposited in the county general fund for the operation of the Issuing official's office; requires motorcycle and trailer dealers to obtain a dealer regulatory license provided under 40-12-391; trailer dealers who do not sell trailers that are subject to titling are exempt from this requirement; includes the wholesale and rebuilder license categories in the new license category; includes the wholesale and rebuilder license categories in the used dealer license category; eliminates the reconstructor license category and combines it with the rebuilder license category; increases the dealer license fee from \$10 to \$25 for each dealer license category; provides for a civil penalty up to \$5,000 for a licensee who fails to maintain blanket liability insurance; decreases the requirement for applying for an off-site license from 14 days to 1 day prior to the sale; allows a dealer license to be revoked if the dealer's designated agent status is revoked; increases the surety bond amount to \$50,000 for all motor vehicle dealers and provides that the bond will also satisfy the designated agent bonding requirements provided in Section 32-8-34.

*Effective Date: Section 1 will become effective October 1, 2014. Section 2 will become effective August 1, 2014.*

#### **Act 2014-211 (HB 434)**

##### **Changes Effective Date of Act 2013-443 to August 1, 2014**

This act changes the effective date of Act 2013-443 of the 2013 Regular Session from October 1, 2014, to August 1, 2014; Act 2013-443 exempts certain durable medical equipment and supplies billed to a third party payer pursuant to a prescription from state, county and municipal sales and use taxes.

*Effective Date: April 2, 2014. Effective date of Act 2013-443 is changed to August 1, 2014.*

#### **Act 2014-262 (HB 404)**

##### **Tobacco Products; Definitions Revised and Archaic Language Removed, Wholesaler Invoices Computerized; Penalties Imposed**

This act amends Sections 40-25-1, 40-25-2, 40-25-4, 40-25-7, 40-25-8, 40-25-9, 40-25-13, 40-25-20 and 40-2A-10; adds Section 40-25-

16.1; defines terms relating to wholesale dealers and jobbers; separates little cigars from filtered cigarette-sized cigars; eliminates cigar categories for which tax is no longer applicable; removes archaic language requiring distributors to cancel a stamp when it has been affixed to tobacco products; requires the state tobacco tax amount to be separately stated on the wholesaler invoice; requires retailers to maintain 90 days of invoices; requires computer and machine generated invoices which show the seller's or supplier's name; Department of Revenue penalties would apply for failure to maintain records; provides for confiscation of tobacco if invoices are not maintained or if products are stored by non-permitted or non-registered entities; provides for Department of Revenue penalties for reusing or refilling tobacco containers or otherwise violating any provision of Chapter 25, requires each wholesaler, jobber, semijobber, registered retailer, importer or other person selling, receiving or distributing tobacco products in Alabama for resale to file a report of its activity to the Department of Revenue between the first and twentieth of each month; provides for additional reporting and web site listing by the Department of Revenue of permitted and registered tobacco distributors.

*Effective Date: October 1, 2014. No later than 90 days after the passage of this act (April 2, 2014), the Commissioner of Revenue will establish a web site for listing each wholesaler, jobber, semijobber, retailer, importer or distributor of tobacco products that have qualified or registered with the Department of Revenue.*

#### **Act 2014-284 (HB 235)**

##### **General Fund Appropriations Bill**

This act makes appropriations for the ordinary expenses of the executive, legislative and judicial agencies of the State, for other functions of government, for debt service and for capital outlay for the fiscal year ending September 30, 2015.

*Effective Date: October 1, 2014*

#### **Act 2014-287 (SB 265)**

##### **Authorizes ADOR to Contract with Third Party to Manufacture and Distribute License Plates and Validation Decals**

This act adds Section 32-6-64.1 to the *Code of Alabama 1975*; authorizes the Department of Revenue to contract with a third party to manufacture and distribute license plates and validation decals; the amount distributed to the Department of Corrections, prior to the effective date of this act, will not be reduced except by the amount of the cost of material, production and distribution of license plates which would have been incurred if the plates were produced by the Department of Corrections; any amounts distributed to the Department of Corrections pursuant to subsection 32-6-64.1(b) are continuously appropriated to the Department Corrections for departmental operations; the distribution of a license plate or validation decal pursuant to Section 32-6-64.1 will not affect the issuance fee of the judge of probate or other license plate issuance official.

*Effective Date: April 7, 2014*

#### **Act 2014-293 (SB 61)**

##### **Alabama Business and Nonprofit Entities Code; Merger and Conversion Provisions Revised**

This act amends Sections 10A-1-4-.02, 10A-1-8-.01, 10A-1-8-.02 and 10A-1-8-.04; revises certain provisions relating to merger and conversion in the Alabama Business and Nonprofit Entities Code; clarifies governing documents and personal liability regarding conversions; defines entity without owners; clarifies statement of conversion; specifies process of conversion for these entities without owners; clarifies a plan of merger; specifies plan of merger for nonprofit corporations; clarifies delayed effective date for mergers.

*Effective Date: July 1, 2014*

#### **Act 2014-295 (SB 86)**

##### **Grants Military Personnel on Deployment during Any Part of His/Her Motor Vehicle License Renewal Month an Additional 30 Calendar Days from Date Deployment Ends to Renew Motor Vehicle Registration without Incurring Late Registration Penalty**

This act amends Section 32-6-65; provides that any person on military deployment during any part of his/her designated registration renewal month, except a person with a discharge characterization of dishonorable or other than honorable, who renews his/her motor vehicle registration within 30 calendar days from the date deployment ends will not be assessed a late registration penalty or associated interest charges; documents used as evidence of military deployment are: military deployment orders, a government issued Statement of Service letter, Form DD214 Certificate of Release or Discharge from Active Duty or a letter from the registrant's unit commander certifying the date his/her deployment ended.

*Effective Date: July 1, 2014*

#### **Act 2014-299 (SB 162)**

##### **Alabama Uniform Partition of Heirs Property Act**

This act creates the Alabama Uniform Partition of Heirs Property Act; supplements Chapter 6 of Title 35; preserves the right of a cotenant to sell his or her interest in inherited real property; provides certain due process protections to other cotenants to prevent a forced sale, including notice of heirs property, court-determined fair market value appraisal, and the right of first refusal; provides that, if the other cotenants do not exercise their right to purchase property from the seller, the court must order a partition-in-kind if feasible or a sale of the real property by an open market sale, with or without a broker or brokers, by sealed bids, public auction, or private sale.

*Effective Date: April 7, 2014, for partition actions filed on or after January 1, 2015.*

**Act 2014-301 (SB 188)****County Officials Authorized to Issue Motor Vehicle Registrations May Offer Optional Two-Year Registration for Motor Vehicles Operated on State Public Highways**

This act authorizes a county commission, in consultation with the local judge of probate or other county license plate issuing official authorized to issue motor vehicle registrations, to offer an optional two-year registration renewal for motor vehicles operated on the public highways of Alabama; to be able to renew his/her motor registration for a two-year period, the registrant must do all of the following: 1) pay the local issuance fee for the first year of registration and 2) pay the license taxes, ad valorem tax and registration fees for each year at the time of the election to renew the registration for two years.

*Effective Date: January 1, 2015*

**Act 2014-316 (HB 151)****Small Business Tax Relief Act of 2014; Increases Threshold of Sales Tax Estimated Payments from \$1,000 to \$2,500**

This act, known as the Small Business Tax Relief Act of 2014, amends Section 40-23-7; increases the average monthly state sales tax liability threshold for a taxpayer required to make estimated sales tax payments from \$1,000 or greater to \$2,500 or greater; taxpayers with a monthly tax liability of \$2,500 or greater during the preceding calendar year will make estimated payments to the Department of Revenue on or before the 20th day of the month in which the liability occurs.

*Effective Date: August 1, 2014*

**Act 2014-325 (HB 129)****Exempts Tangible Personal Property, Including School Lunches, of Alabama Private School Institutions, Colleges and Universities from Sales and Use Tax**

This act amends Sections 40-23-4 and 40-23-62; exempts the gross proceeds of sales to or the storage, use or other consumption of tangible personal property by private education institutions operating in Alabama offering conventional and traditional courses of study, such as those offered by public schools, colleges, and universities located in Alabama, not including nurseries, day care centers and home schools; exempts lunches sold to school children of either public or private schools, not for profit, while in school buildings; this act applies retroactively to all open tax periods and all periods for which a preliminary of final assessment of tax could be entered pursuant to Section 40-2A-7; no refunds will be due or issued with respect to the periods prior to the effective date of this act.

*Effective Date: April 7, 2014. Retroactive to all open tax periods and all periods for which a preliminary or final assessment of tax could be entered pursuant to Section 40-2A-7.*

**Act 2014-331 (HB 97)****Suspends the Collection of a Tax/Fee if Cost of Administration is Greater than Collections**

This act amends Section 40-1-49; allows the Department of Revenue, by administrative rule, to suspend the collection of a tax or fee when the administrative cost of the collection exceeds the collection amount of the tax or fee for each of the previous three fiscal years; if the suspension of the tax or fee collection would result in reduced local revenues, the department is required to notify the affected localities prior to filing a notice to promulgate an administrative rule, pursuant to the Administrative Procedures Act; the suspension of the tax or fee is prohibited if the tax or fee is mandated by federal law or regulation, or if suspending the collection would result in reduced funding received from the federal government that exceeds the state cost of collections; the suspension is also prohibited if the collection of the tax or fee would result in a reduction in collection of state and local taxes or fees that exceed the state costs of collecting the tax or fee, or if suspending collection would have a negative effect on public health, safety or welfare; administrative rules promulgated will not be applied retroactively and shall be reviewed not less than every five years at which time, should it be determined, that the administrative cost of collecting a tax or fee no longer exceeds the total amount of tax or fee that could be collected, the corresponding rule suspending the collection of the tax or fee will be repealed by the department.

*Effective Date: July 1, 2014*

**Act 2014-336 (HB 373)****Prepaid Wireless Service Evidenced by Physical Card and Prepaid Wireless Service not Evidenced by Physical Card Subject to Sales and Use Tax**

This act amends Sections 40-23-1 and 40-23-60; amends the definition of a prepaid telephone calling card in both the sales and use tax code; clarifies that prepaid wireless service that is evidenced by a physical card and prepaid wireless service that is not evidenced by a physical card are subject to sales and use tax; the sale of prepaid wireless service that is evidenced by a physical card constitutes the sale of a prepaid telephone calling card; the sale of prepaid wireless service that is not evidenced by a physical card constitutes the sale of a prepaid authorization number; defines prepaid wireless service as the right to use mobile telecommunications service, which must be paid for in advance and that is sold in predetermined units or dollars of which the number declines with use in a known amount, and which may include rights to use non-telecommunications services or to download digital products or digital content; prevents the state and/or local taxing authorities from seeking payment for sales tax not already collected.

*Effective Date: July 1, 2014. For transactions that occurred prior to the effective date of this act in which the consumer did not receive either an authorization number or a physical card, neither the Department of Revenue nor local tax officials can seek*

payment for sales tax not collected. This limitation to collect tax does not apply to audits that began or assessments that were entered prior to the effective date of this act. Regarding these transactions where sales tax was collected and remitted, neither the taxpayer nor the entity remitting sales tax has the right to seek a refund.

#### **Act 2014-341 (HB 449)**

##### **Tobacco Master Settlement; Defines Importer of Tobacco Products; Expands Definition of Units Sold; Revises Escrow Deposit Obligations**

This act amends Sections 6-12-2, 6-12-3, 6-12A-2, 6-12A-3 and 6-12A-5; defines an importer of tobacco products; expands definition of unit sold to include cigarettes sold to certain consumers without payment of the cigarette excise tax and exclusion of certain cigarettes made in certain tax exempt transactions; makes the importer jointly and severally liable with the tobacco products manufacturer of cigarettes for escrow deposit obligation; provides for seizure and forfeiture of cigarettes for failure to deposit funds into escrow; requires both the nonparticipating manufacturer and importer or importers of cigarettes to appoint agents for service of process; requires the nonparticipating manufacturer to hold a valid permit under 26 U.S.C. § 5713; provides for nonparticipating manufacturer bond requirements; further provides for disclosure of information; nonparticipating manufacturer required to post a bond as escrow deposit at least 10 days in advance of each calendar quarter as a condition to being included in the state directory for that quarter.

*Effective Date: April 8, 2014. Provisions relating to the bond requirement of Section 6-12-5(f) will not be effective until 10 days before the beginning of the first quarter of 2015.*

#### **Act 2014-406 (HB 257)**

##### **Allows Married Taxpayers Filing Separate Returns to Claim the Optional Standard Deduction if the Spouses have Lived Apart for the Entire Year**

This act amends Section 40-18-15; allows married taxpayers filing separate returns, who have lived apart the entire tax year, to independently claim either the optional standard deduction or itemized deductions; neither spouse can claim a deduction for expenses paid by the other spouse.

*Effective Date: July 1, 2014, for tax returns filed for the 2014 and subsequent tax years.*

#### **Act 2014-407 (HB 276)**

##### **Exempts Community Action Association of Alabama from All State, County and Municipal Sales and Use Taxes**

This act exempts the Community Action Association of Alabama and its member agencies from the payment of all state, county and municipal sales and use taxes; this exemption does not apply to county or municipal sales and use taxes unless approved by resolution of the respective local governing body.

*Effective Date: July 1, 2014*

#### **Act 2014-408 (HB 552)**

##### **Suspends Requirement to Obtain Annual Decal from Liquefied Petroleum Gas Board for Motor Vehicles that Use Natural Gas**

This act suspends the requirement that the Liquefied Petroleum Gas Board issue a decal for vehicles using compressed or liquefied natural gas and the collection of the excise tax until October 1, 2016; establishes conversion rates for compressed natural gas and liquefied natural gas from pounds to gallons; after October 1, 2016, the excise taxes will be \$0.16 for compressed natural gas and \$0.19 for liquefied natural gas if no weights and measures standards are set; this act does not apply to the remainder of Article 3A of Chapter 17 of Title 40.

*Effective Date: April 9, 2014*

#### **Act 2014-413 (HB 48)**

##### **Tax Credit for Private Intrastate Adoption or Adoption of Qualified Foster Child**

This act provides for a one-time, refundable income tax credit in the amount of \$1,000 (per child) for a private intrastate adoption or the adoption of a qualified foster child; credit must be claimed in the year in which the adoption becomes final; minors adopted after effective date of this act, who are at least 14 years old, and are adopted from the Alabama foster care system are eligible for \$15,000 in post-secondary educational assistance; eligibility for educational assistance will become effective October 1, 2016; income tax credit will be effective January 1, 2014, for the 2014 taxable year and subsequent taxable years.

*Effective Date: April 9, 2014. Income tax credit effective January 1, 2014, for the 2014 tax year and subsequent tax years. Post-secondary educational assistance will be effective October 2, 2016.*

#### **Act 2014-415 (HB 108)**

##### **Optional Non-Itemized Short Form for Filing Business Personal Property Tax Return**

This act provides for an optional non-itemized short form for certain taxpayers to file their taxable personal property each year; requires the creation of a state portal that taxpayers may use to electronically file their Business Personal Property Return with any county in the state; short form allow taxpayers who own taxable tangible personal property that has a total acquisition cost of less than \$10,000 to file the short form in place of filing an itemized listing of their assets; provides provisions for the audit of any short form account and penalties for falsely filing the short form when it is determined that the assets actually had a total acquisition cost greater than \$10,000; requires the Department of Revenue to develop and implement a state portal through which taxpayers may file their yearly Business Personal Property Return with the appropriate county; implementation of the state portal must be ready by October 1, 2016; county tax assessing and tax collecting officials will not be prevented from providing an electronic system for the filing of applicable business personal property tax returns; county tax assessing and tax collecting officials will not be

prevented from enforcing mandatory electronic filing of a business personal property tax return pursuant to a local act of the Legislature.

*Effective Date: July 1, 2014. Implementation of the online system/state portal must be ready by October 1, 2016. The short form tax return must be developed by October 1, 2014.*

#### **Act 2014-418 (HB 568)**

##### **Restores Hazardous Waste Disposal Fee Distribution**

This act amends Section 22-30B-2.1; provides for the distribution of hazardous waste fees between the county in which a commercial hazardous waste disposal site is located and the State General Fund; revenues generated pursuant to Section 22-30B-2(1) are distributed as follows: 1) twenty-five percent to each county having a commercial site for the disposal of hazardous waste or hazardous substances and 2) seventy-five percent to the State General Fund with the first four hundred fifty thousand dollars each year earmarked to the Department of Environmental Management.

*Effective Date: May 1, 2014*

#### **Act 2014-420 (SB 254)**

##### **Credit against Insurance Premium; Wind Coverage; Creation of Alabama Coastal Insurance Reform Act of 2014**

This act amends Section 27-1-24.1; creates the Alabama Coastal Insurance Reform Act of 2014; revises existing law to provide credits to private property insurance carriers who write homeowners insurance policies, which specifically include wind and hail coverage, in specific geographical locations; the amount of the credit depends on which wind zone the property is located; insurance carriers insuring properties in Zones B4, B5, M4, M5, or successor zones are allowed a credit equal to 20 percent of the insurance premium tax liability; insurance carriers insuring properties in Zones Gulf Front, B1, B2, B3, M1, M2, M3, or successor zones, are allowed a credit equal to 35 percent of the insurance premiums tax liability; the cumulative amounts of all tax credits in any tax year that may be claimed by an insurance carrier will not exceed \$50,000.

*Effective Date: July 1, 2014*

#### **Act 2014-430 (SB 312)**

##### **Applicants for Licenses Issued by the Department of Revenue Required to Submit FEIN or SSN**

This act amends Section 40-12-30; requires an applicant for a license issued by the Department of Revenue to provide their federal tax identification number (FEIN) or Social Security number (SSN) when applying for a new license or renewing a license pursuant to Articles 2, 6, 8 and 9 of Chapter 12, Title 40; licenses affected by this bill are new licenses and renewals of business privilege licenses, store licenses, regulatory dealer and automotive dismantler licenses; county licensing officials must transmit business privilege license application information for new licenses and renewals electronically to the Department of Revenue.

*Effective Date: October 1, 2014*

#### **Act 2014-442 (HB 349)**

##### **Payment of Excess Funds upon Redemption of Property Purchased at Tax Sales**

This act amends Section 40-10-28; provides that all tax sales held after August 1, 2013, at any time more than three years but within 10 years after a tax sale, the excess funds arising from the sale shall be paid to either of the following: 1) to any person or entity entitled to redeem under Section 40-10-83, or any other provisions of law authorizing redemption from the tax sale, upon proof of a circuit court order granting redemption to the person or entity or, 2) to the owner of the land at the time of the tax sale or a subsequent owner, upon proof provided to the tax collector or other official performing those duties that the land has been redeemed by negotiated agreement from the purchaser at the tax sale or the purchaser's successor in interest; proof of negotiated agreement shall include the following: a) a copy of a properly recorded deed or conveyance to the redeeming party executed by the party from whom redemption was made, b) if the redeeming party was not the owner of the land at the time of the tax sale, a copy of a properly recorded deed or conveyance from the owner at the time of the tax sale to the subsequent owner, or c) if the party from whom the redemption was made is a successor in interest of the tax sale purchaser, a copy of a properly recorded deed or conveyance from the tax sale purchaser to the successor in interest; upon receipt of proof of redemption, the county commission will order the payment of excess funds and retain any interest; if proof of redemption is not received within 10 years after the tax sale, the excess funds and any interest earned will become the property of the county.

*Effective Date: July 1, 2014*

#### **Act 2014-444 (HB 450)**

##### **Negotiable Instruments Include Electronic Drafts**

This act amends Section 13A-9-13.1; relating to the crime of negotiating a worthless negotiable instrument; specifies that a negotiable instrument includes electronic drafts; negotiating a worthless negotiable instrument is a Class A misdemeanor.

*Effective Date: July 1, 2014*

#### **Act 2014-452 (HB 509)**

##### **Clarifies the Historic Tax Credit Transfer**

This act amends Sections 40-9F-3, 40-9F-4, and 40-9F-5; allows the tax credit for historic structures to be transferred; once the credit is transferred, only the transferee can utilize the credit and the credit cannot be transferred again; for any transfer, the transferor shall file: 1) a completed transfer statement form; 2) a copy of the tax credit certificate issued by the Commission or the Department of Revenue, as applicable, documenting the amount of tax credits which the transferor intends to transfer; 3) a copy of the proposed written transfer agreement; and 4) a transfer fee payable to the Department in the amount of \$1,000 per transferee listed on

the transfer statement form; within 30 days after the Department's receipt of the fully executed written transfer agreement, the Department will issue a tax credit certificate to each transferee listed in the agreement in the amount of the transferred tax credit; allows pass-through entities the ability to allocate the credits; ownership of an entity that is the owner of property contained in the application will not be a factor in The Alabama Historical Commission's review of the application and no subsequent change in the ownership structure of the entity will cause the loss or rescission of a reservation of tax credits.

*Effective Date: Retroactive to May 15, 2013. The amendments made by this act to Section 40-9F-4E apply only to tax periods beginning on and after January 1, 2014.*

#### **Act 2014-453 (HB 280)**

##### ***Exempts Durable Medical Equipment, Prosthetics or Orthotic Devices and Medical Supplies from State and Local Sales, Use and Rental Taxes Pursuant a Valid Prescription***

This act amends Section 40-9-30; repeals Section 40-9-39.1; exempts durable medical equipment, prosthetics or orthotics devices, and medical supplies, as defined under the Medicare program, that are sold, rented or leased pursuant to a valid prescription and covered and billed to Medicare, Medicaid or a health benefit plan, from all state and local sales, use and rental taxes.

*Effective Date: August 1, 2014*

#### **Act 2014-456 (SB 184)**

##### ***Education Trust Fund Appropriations Bill***

This act makes appropriations for the support, maintenance and development of public education in Alabama, for debt service and for capital outlay for the fiscal year ending September 30, 2015.

*Effective Date: October 1, 2014*

#### **Act 2014-457 (HB 30)**

##### ***Revises Definition of Agency in the Alabama Administrative Procedure Act and Allows Agencies to Withdraw a Proposed or Certified Rule***

This act amends Sections 41-22-3 and 41-22-23; revises the definition of agency in the Alabama Administrative Procedure Act to exclude boards of plans administered by public pension systems; allows an agency to withdraw a proposed or certified rule instead of requiring the joint committee to act on a request by an agency to withdraw a rule.

*Effective Date: April 11, 2014*

## Local Revenue Related Acts 2014 Regular Session

#### **Act 2014-007 (HB 112)**

##### ***Authorizes Designated City Officers or City Employees in Jefferson County to Issue Motor Vehicle Registrations***

This act amends Act 2012-196 of the 2012 Regular Session; allows designated city officers or city employees in Jefferson County to issue motor vehicle registrations, including the issuance of license plates, to residents of the city except when the motor vehicle has not previously been registered in Alabama by or in the current vehicle owner's name; the city council may levy an annual additional issuance fee, not to exceed \$5, for each license plate issued by the city official's office; additional fee is due at the same time the state registration fees are due; fee can only be collected once per vehicle per registration year; additional fee will be deposited into the general fund of the city; additional fee will be used for the operation of the city license plate issuing official's office.

*Effective Date: April 1, 2014*

#### **Act 2014-009 (SB 301)**

##### ***Franklin County Authorized to Allocate One-Fourth of One Cent Tax Proceeds to Match Funds for Grants from the Alabama Transportation Rehabilitation and Improvement Program***

This act proposes a Constitutional Amendment to authorize the governing body of Franklin County to allocate one-fourth of the proceeds of the one cent tax levied in the county pursuant to Section 40-12-4 for the purpose of matching funds for any grant in the county from the Alabama Transportation Rehabilitation and Improvement Program; the authority granted by this amendment is effective for two years; the authority may be extended for subsequent two-year periods if approved by a majority vote of the voters of Franklin County.

*Effective Date: Contingent upon voter approval*

#### **Act 2014-055 (HB 189)**

##### ***Dale County Authorized to Levy Lodging Tax that Excludes Recreational Vehicles and Campgrounds***

This act authorizes the Dale County Commission to levy a lodging tax; the amount of the tax will be equal to two percent of the charge for the rooms, lodgings, or accommodations, including the charge for use or rental of personal property and services furnished in the room; rentals or services taxed under Article 1, Chapter 23, Title 40 are excluded from the tax; recreational vehicles and campgrounds are excluded from the tax; proceeds from the tax will be distributed to the Dale County Commission to be used for funding specific economic or tourism development projects, or to provide a program of incentives for economic or tourism development.

*Effective Date: May 1, 2014*

**Act 2014-085 (HB 409)****Franklin County Authorized to Allocate One-Fourth of One Cent Tax for Purpose of Matching Funds for Any Grant from the Alabama Transportation Rehabilitation and Improvement Program**

This act proposes an amendment to the Constitution of Alabama; to authorize the governing body of Franklin County to allocate one-fourth of the proceeds from the one cent tax levied in the county pursuant to Section 40-12-4 for the purpose of matching funds for any grant from the Alabama Transportation Rehabilitation and Improvement Program; the authority granted by this amendment is effective for two years and may be extended for subsequent two-year periods if approved by a majority of the voters in Franklin County; provides for county referendum.

*Effective Date: Contingent upon voter approval*

**Act 2014-106 (HB92)****Authorizes Judge of Probate in Elmore County to Establish a Policy on the Sale of or Access to Computerized Index Information or Digitized Images**

This act amends Section 45-26-81.22; authorizes Elmore County Judge of Probate to establish a policy on the sale of or access to computerized index information or digitized images; funds received from the sale of the information and images will be paid to the county general fund and expended at the discretion of the judge of probate for acquiring and maintaining equipment, improving the efficiency of the operations of the office, supplementing salaries, and acquiring and maintaining office space.

*Effective Date: June 1, 2014*

**Act 2014-108 (HB 200)****Expedited Quiet Title and Foreclosure Actions in Class 2 Municipalities**

This act amends Sections 11-70-1, 11-70-2, 11-70-3 and 11-70-8; provides that Section 40-10-82 will not apply to affect any cause of action or action brought by a Class 2 municipality; Section 40-10-82 will not remove any limitation of action or extend the period of redemption of any abandoned tax sale properties within the corporate limits of the Class 2 municipality; no action filed pursuant to Section 11-70-3 (order to quiet title and expedite foreclosure) will be subject to the payment of filing fees; interested parties at the quiet title/foreclosure hearing can redeem the property by paying all the taxes, interest, municipal liens, penalties, fees, and any other charges due and owing pursuant to Chapter 10, Title 40, including the amount due to the land commissioner had the property not been sold to the municipality.

*Effective Date: March 3, 2014*

**Act 2014-109 (HB 433)****Allocation and Expenditure of TVA Monies Distributed to Morgan County**

This act provides for the allocation and expenditure of money received from the Tennessee Valley Authority and distributed to

Morgan County pursuant to Act 2010-134; repeals Act 2013-328; provides provisions for distribution of TVA monies for certain fiscal years.

*Effective Date: June 1, 2014*

**Act 2014-128 (HB 294)****Alters/Rearranges Boundary Lines/Corporate Limits of Trussville in St. Clair County**

This act alters, rearranges, and extends the boundary lines and corporate limits of the municipality of Trussville in St. Clair County.

*Effective Date: June 1, 2014*

**Act 2014-129 (HB 390)****Alters/Rearranges Boundary Lines/Corporate Limits of Summerdale in Baldwin County**

This act alters, rearranges, and extends the boundary lines and corporate limits of the municipality of Summerdale in Baldwin County to remove certain property from the corporate limits of the City of Summerdale in Baldwin County.

*Effective Date: June 1, 2014*

**Act 2014-130 (HB 391)****Alters/Rearranges Boundary Lines/Corporate Limits of Trussville in St. Clair County**

This act alters, rearranges, and extends the boundary lines and corporate limits of the municipality of Summerdale in Baldwin County.

*Effective Date: June 1, 2014*

**Act 2014-148 (HB 460)****Assessment and Collection of Taxes on Motor Vehicles, Titles and Non-Motorized Vehicles Transferred from Washington County Revenue Commissioner to Washington County Judge of Probate**

This act transfers all duties and responsibilities relative to the assessment and collection of taxes on motor vehicles, motor vehicle titles and non-motorized vehicles from the Washington County Revenue Commissioner to the Washington County Judge of Probate; the judge of probate, in addition to assessing and collecting the ad valorem taxes and sales taxes due to the state and county on motor vehicles will report and pay over the money collected for the municipalities at the same time and in the same manner as state and county taxes and licenses are reported and paid over by him or her; the Comptroller, the Department of Revenue and the Department of Finance will furnish the judge of probate all books, records required by law to be furnished in connection with the performance of their duties; the judge of probate will receive the same fees charged and commissions fixed by law to be paid to tax assessors, tax collectors, revenue commissioners or license commissioners for like services; all fees and commissions will be paid into the Washington County General Fund; the judge of probate can mail license renewal applications in the form of a postcard; the county commission can establish a Mail

Order Fee in an amount not more than \$3.00; proceeds from mail order fees will be paid into the county general fund.

*Effective Date: June 1, 2015*

**Act 2014-162 (HB 331)**

***Authorizes Chilton County to Levy One Cent Sales Tax for the Construction, Maintenance and Operation of Hospital in Chilton County***

This act authorizes the Chilton County Commission to levy an additional one cent sales and use tax, subject to a referendum; proceeds shall be used exclusively for the construction, maintenance and operation of a hospital in Chilton County; proceeds of sales presently exempt under state sales and use tax statutes are exempt from the tax authorized by this act; tax will expire four years from the date the indebtedness issued or incurred for the purpose of providing funds to pay the costs of construction, maintenance and operation of a hospital has been paid; levy becomes operative only if approved by a majority of qualified voters in Chilton County; repealed by Act 2014-422.

*Effective Date: Repealed by Act 2014-422*

**Act 2014-174 (HB 527)**

***Distribution of Hazardous Waste Disposal Fees in Sumter County***

This act amends Sections 2 and 4 of Act 83-480, as amended; contingent upon the enactment of HB568 during the 2014 Regular Session that amends Section 22-30B-2.1, which restores the distribution of the hazardous waste disposal fee revenues equally between the State General Fund and Sumter County; an additional local fee of \$3.50 per ton will be paid by each operator of a commercial site for the disposal of hazardous waste in Sumter County; the fee will be remitted to Sumter County for material that is land filled at the Emelle site; fee excludes any material which is stored, transshipped, recycled or processed for other use; Sumter County will collect the local fee and distribute the proceeds in accordance with the act.

*Effective Date: June 1, contingent upon enactment of HB568 of the 2014 Regular Session.*

**Act 2014-176 (SB 310)**

***Transfers Duties for Assessment and Collection of Ad Valorem Taxes on Motor Vehicles from Montgomery County Revenue Commissioner to Montgomery County Judge of Probate***

This act provides for the transfer of all duties, responsibilities and liabilities relating to the assessment and collection of ad valorem taxes on motor vehicles and non-motorized vehicles from the revenue commissioner to the judge of probate; provides for effective date.

*Effective Date: June 1, 2014*

**Act 2014-182 (SB 330)**

***Alters/Rearranges Boundary Lines/Corporate Limits of Weaver in Calhoun County***

This act alters, rearranges, and extends the boundary lines and corporate limits of the City of Weaver in Calhoun County.

*Effective Date: June 1, 2014*

**Act 2014-183 (SB 331)**

***Alters/Rearranges Boundary Lines/Corporate Limits of Weaver in Calhoun County***

This act alters, rearranges, and extends the boundary lines and corporate limits of the City of Weaver in Calhoun County; corrects an error in a description and deletes a parcel; provides for retroactive effect.

*Effective Date: Retroactive to August 1, 2013*

**Act 2014-208 (HB 223)**

***Distribution of Proceeds of Uniform Beer Tax in Orrville in Dallas County***

This act amends Section 28-3-190; provides for the distribution of proceeds of the uniform beer tax for the Town of Orrville in Dallas County; 72.23 percent of proceeds will be paid to Orrville and 27.77 percent will be paid to the Dallas County Commission.

*Effective Date: July 1, 2014*

**Act 2014-210 (HB 346)**

***Authorizes Geneva County Commission to Levy One Percent Sales Tax for Constructing and Maintaining a Jail***

This act authorizes the Geneva County Commission to levy a one percent sales tax, subject to a referendum, for constructing and maintaining a jail; excess proceeds will be used for road and bridge projects; proceeds of all sales presently exempt under the state sales and use tax statutes are exempt from the tax authorized by this act; tax will be collected by the Department of Revenue, the Geneva County Commission or other entity which the county commission contracts to collect the tax at the same time and in the same manner as state sales taxes are collected; sales tax levy becomes operative only if approved by a majority of qualified voters in Geneva County.

*Effective Date: Contingent upon voter approval*

**Act 2014-212 (HB 438)**

***Alters/Rearranges Boundary Lines/Corporate Limits of Rogersville in Lauderdale County***

This act alters, rearranges, and extends the boundary lines and corporate limits of the Town of Rogersville in Lauderdale County.

*Effective Date: July 1, 2014*

**Act 2014-243 (HB 403)**

***Limits and Boundaries of the Territorial Waters of Alabama for Management and Protection of Marine Resources***

This act amends Section 41-1-1; provides legislative intent regarding the limits and boundaries of the territorial waters of

Alabama for management and protection of marine resources; states that the policy and purpose of the State of Alabama by this act is to place the state on equal footing with the other Gulf Coast States regarding the limits and boundaries of territorial waters for management and protection of marine resources; the limits and boundaries of the territorial waters of Alabama for management and protection of marine resources will consist of all territory included within the boundaries described in the Act of Congress of March 2, 1819, together with all territory ceded to Alabama by later acts of Congress or by compacts or agreements with other states extending seaward to a distance of three Marine Leagues.

*Effective Date: July 1, 2014*

**Act 2014-249 (SB 419)**

***Alters/Rearranges Boundary Lines/Corporate Limits of Lincoln in Talladega County***

This act alters, rearranges, and extends the boundary lines and corporate limits of the City of Lincoln in Talladega County.

*Effective Date: April 2, 2014*

**Act 2014-266 (HB 545)**

***Alters/Rearranges Boundary Lines/Corporate Limits of Florence and St. Florian in Lauderdale County***

This act alters, rearranges, and extends the boundary lines and corporate limits of the City of Florence and the Town of St. Florian in Lauderdale County to remove certain property from the corporate limits of the Town of St. Florian and add the property to the City of Florence.

*Effective Date: July 1, 2014*

**Act 2014-267 (HB 571)**

***Creation of a Tourism Board in and for Lauderdale County***

This act provides definitions, organization requirements, requirements regarding the Board of Directors, and the powers given to the board; authorizes the Board to conduct programs and events, including, but not limited to, programs of information and publicity, sporting events, and other public events to attract tourists and visitors to the county, and allows the Board to conduct programs or events in the state and elsewhere; allocates a portion of the current lodgings proceeds to fund the creation of the Lauderdale County Board of Tourism; exempts the board from taxation on its property and receipts; Lauderdale County lodging tax rate remains unchanged and only effects the distribution; 75% of the net proceeds shall be distributed to the tourism board, 25% of the net proceeds shall be distributed to the municipalities in which the businesses operate in the corporate limits or the planning jurisdiction of that municipality and 25% shall be distributed to the county from businesses operating in the county but not within the corporate limits or planning jurisdiction of any municipality.

*Effective Date: April 2, 2014*

**Act 2014-291 (SB 457)**

***Alters/Rearranges Boundary Lines/Corporate Limits of Alabaster in Shelby County***

This act alters, rearranges, and extends the boundary lines and corporate limits of the City of Alabaster in Shelby County.

*Effective Date: April 7, 2014*

**Act 2014-311 (SB 474)**

***Allows Reimbursement of Payments Made from Jackson County General Fund for Operation of Solid Waste Program***

This act allows the reimbursement of payments made from the Jackson County General Fund for or related to the operation of the solid waste program; allows the county commission to receive an administrative fee, in a transfer of funds from the Solid Waste Fund in an amount up to five percent of the gross revenue generated by the Jackson County Solid Waste Program, payable to the County General Fund for administration of the solid waste program.

*Effective Date: April 7, 2014*

**Act 2014-321 (HB 82)**

***Allows All Alabama Municipalities and Counties to Offset State Individual Income Tax Refunds for Debts Owed Resulting from Any Administrative or Judicial Proceeding***

This act amends section 40-18-100 and 40-18-103; allows all municipalities and counties in Alabama to offset state individual income tax refunds for debts owed to them as a result of any administrative or judicial proceeding; a county or municipality may submit a debt of at least \$25 owed to it for collection; a county or municipality must submit the debt to the Department of Revenue through the Association of County Commissions of Alabama or an entity established through the Association of County Commissions of Alabama, or the Alabama League of Municipalities or an entity established through the Alabama League of Municipalities; the organization that submits a debt on behalf of any county or municipality may assess a fee of \$25 for submitting the debt.

*Effective Date: July 1, 2014*

**Act 2014-409 (HB 582)**

***Alters/Rearranges Boundary Lines/Corporate Limits of Foley in Baldwin County***

This act alters, rearranges, and extends the boundary lines and corporate limits of the City of Foley in Baldwin County.

*Effective Date: July 1, 2014*

**Act 2014-410 (HB 588)**

***Alters/Rearranges Boundary Lines/Corporate Limits of Spanish Fort in Baldwin County***

This act alters, rearranges, and extends the boundary lines and corporate limits of the City of Spanish Fort in Baldwin County.

*Effective Date: April 9, 2014*

**Act 2014-416 (HB 586)****Service of Process Fee in Winston County**

This act increases the fee for service of process in Winston County to \$20 on each document requiring personal service of process; \$10 of each fee will be distributed to the Winston County Commission for deposit in the Winston County Law Enforcement Fund and the remaining \$10 will be distributed to the Circuit Clerk's Fund for operation of the clerk's office; disposition of the fee will be reported to the Winston County Commission annually; fee will become operative only if approved by a majority of qualified electors in Winston County.

*Effective Date: Contingent upon voter approval.*

**Act 2014-422 (SB 462)****Authorizes Chilton County to Levy One Cent Sales Tax for the Construction, Maintenance and Operation of Hospital in Chilton County**

This act authorizes the governing body of Chilton County to levy, by resolution, an additional sales and use tax, proceeds will be used exclusively for the construction, maintenance and operation of hospital facilities in Chilton County; proceeds of sales presently exempt under state sales and use tax statutes are exempt from the tax authorized by this act; the tax authorized will terminate, by resolution, no later than four years from the date all bonds, warrants, notes or other securities or obligations issued have been fully paid and retired; repeals Act 2014-162.

*Effective Date: April 10, 2014*

**Act 2014-426 (SB 441)****Authorizes Automated Speeding Enforcement in the City of Midfield**

This act creates the Midfield Speed Limit Safety Act; authorizes the automated speeding enforcement in the City of Midfield in Jefferson County as a civil violation; provides procedures for using automated photographic speeding enforcement; owner of vehicle involved is presumptively liable for a civil violation and the payment of a civil fine not to exceed \$100; additional fee of \$10 will be added to the Midfield Municipal Court costs authorized to be collected in connection with notices issued under this act; provides for a late fee not exceeding \$25 for untimely paid civil fines; provides procedures to contest liability; prohibits unauthorized tampering with automated speeding enforcement devices.

*Effective Date: April 10, 2014*

**Act 2014-433 (SB 400)****General and Special Tax Rates Levied by County Commissions Remain in Effect Unless Action is Taken by County Commissions**

This act amends Section 40-7-42; provides that the tax levies established by county commissions will remain in effect unless there is a change in the tax rate by general law no later than the last of February prior to the effective date of the change in tax rate; ratifies the collection of any general or special taxes when the levy

was not made at the first regular county commission meeting in February; any general or special taxes levied by the county commission prior to the effective date of this act are ratified and confirmed regardless of whether or not the taxes were levied during the first county commission meeting held in February of any year.

*Effective Date: April 10, 2014*

**Act 2014-449 (HB 540)****Electronic Filing of Business Personal Property Tax Returns in Baldwin County**

This act provides for the electronic filing of business personal property tax returns in the office of the Baldwin County Revenue Commissioner; authorizes the revenue commissioner to establish procedures for filing the returns; effective for any business personal property tax return filed on or after October 1, 2014, any business personal property tax return filed with office of the Baldwin County Revenue Commissioner for any business engaged in the leasing of personal property, or for any business with personal property assets of at least \$10,000, or any business personal property tax return which is prepared for filing by a third party tax preparer will be filed electronically.

*Effective Date: April 10, 2014*

## Quarterly/Annual Tax Activity

*(Continued from Page 21)*

- Quarterly Construction Employer Fee due.
- Annual business privilege licenses delinquent after this date.
- Store and chain store licenses delinquent after this date.

Nov.

10

- Quarterly NPM certification and bank verification due.

30

- Last day to register and pay fee for manufactured homes without penalty.

Dec.

15

- Fourth installment of estimated corporate income tax due (for calendar-year taxpayers).

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.
- Last day to claim Exemptions/Abatements on Ad Valorem tax assessments.

# Tax Calendar

## Required Monthly Returns Tax Activity

**10th** • Medicaid-related tax return and payment due for nursing facilities.

- Tobacco use tax return and payment due.

**15th** • Gasoline information return due from carriers, transporters, and warehouses.

- Lubricating oils information return due from carriers, transporters, and warehouses.
- Motor carrier mileage tax return and payment due.
- Oil and gas production tax and privilege tax return and payment due two months following month of production.
- Withholding return and payment due from those employers required to remit on a monthly basis

**20th** • Aviation fuel tax return and payment due.

- Coal severance tax return and payment due.
- Coal transporters' and purchasers' returns due.
- Contractors' gross receipts tax return and payment due.
- Gasoline tax return and payment due.
- Iron ore severance tax return and payment due.
- Local solid minerals tax returns and payments due.
- Lodgings tax return and payment due.
- Lubricating oils tax return and payment due.
- Medicaid tax return and payment due from pharmaceutical service providers.
- Mobile telecommunications service tax return and payment due.
- Motor fuel tax return and payment due.
- Pari-mutuel pool tax return and payment due.
- Rental or leasing tax return and payment due.
- Sales tax (state and local) return and payment due.
- Scrap Tire Environmental Fee due.
- Tobacco tax (state and county) return and payment due.
- Underground and aboveground storage tank trust fund charge due.
- Uniform Natural Minerals tax return and payment due.
- Use tax return and payment due.
- Utility gross receipts tax return and payment due.

**30th** • Hazardous waste fee return and payment due.

Last day of month • State horse wagering fee return and payment due.

## Quarterly/Annual Tax Activity

(Sept., Oct., Nov., Dec. 2014)

**Sept.**

**15** • Third installment of estimated corporate income tax due (for calendar-year taxpayers).

- Third installment of estimated personal income tax due.

**25** • Hydroelectric gross receipts' return and payment due.

**Oct.**

**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 fuel identification markers issued.
- Motor vehicle dealers, reconditioners, rebuilders and wholesalers' license due.

**Note:** Effective Oct. 1, 2003, dealer license plates and manufacturer license plates will be issued through county license plate issuing officials.

- 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 Solid Waste Disposal Fee return and payment due.
- Quarterly use tax return and payment due.
- Quarterly rental or leasing tax 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.

*(Continued on Page 20)*