

ALABAMA DEPARTMENT OF REVENUE

ADMINISTRATIVE CODE

CHAPTER 810-8-2 COAL SEVERANCE TAX

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810-8-2-.01 Coal Severance Tax - Moisture Content

810-8-2-.01 Coal Severance Tax - Moisture Content.

(1) For purposes of auditing for collection of tonnage taxes on coal severed in this state, the Department of Revenue recognizes an inherent moisture content of 2.88% to be included in the tonnage measure of the tax.

(2) Moisture content over and above the 2.88% inherent figure may be allowed as a discount on the tonnage measure, but only if substantiated by a valid laboratory analysis of the moisture content of the coal for the entire audit period, or a substantial portion of the audit period involved. (Effective July 13, 1979)

**Author:**

**Statutory Authority:** Code of Ala. 1975, 40-13-34(b).

**History:**

ALABAMA DEPARTMENT OF REVENUE  
ADMINISTRATIVE CODECHAPTER 810-8-5  
NATURAL RESOURCES AND LICENSE TAX DIVISION

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810-8-5-.01 Specification Relating To Sign Requirements Of New And Used Motor Vehicle Dealers. (REPEALED)

Author: Mike Gamble

Statutory Authority: Code of Ala. 1975, §§40-12-30; 40-12-392.

History: Filed April 20, 1992; certification filed August 14, 1992; effective September 18, 1992. Repealed: Filed July 30, 2012; effective September 3, 2012.

810-8-5-.02 Requirement Relating To A Camera Photograph Accompanying Applications Of New And Used Motor Vehicle Dealers Regulatory License. (REPEALED)

Author: Mike Gamble

Statutory Authority: Code of Ala. 1975, §§40-12-392; 40-12-30.

History: Filed April 20, 1992; certification filed August 14, 1992; effective September 18, 1992. Repealed: Filed July 30, 2012; effective September 3, 2012.

**810-8-5-.03 Fee For Costs Incurred In Providing Copies Of Privilege/Automotive Dismantler License Or Buyer's Identification Card Records.**

(1) A fee of fifty dollars (\$50.00) per request shall be charged for requests for privilege license information and a fee of twenty-five dollars (\$25.00) shall be charged for requests for automotive dismantler license and buyer's identification (BID) card information. Law enforcement agencies and other federal, state, county, and municipal agencies of all jurisdictions who reciprocate with information and/or assistance to the Alabama Department of Revenue shall be exempt from the payment of this fee.

(2) All persons who request license or BID card information from the Severance & License Tax Section of the Business & License Tax Division, Alabama Department of Revenue, shall apply in writing. Payment via certified funds per request should be submitted with the request for information.

(3) The written request for information shall contain the following:

- (a) Name of person making the request,
- (b) Mailing address,
- (c) Valid email address,
- (d) Telephone number, and
- (e) Payment.

(4) The above-referenced information should be forward to:

Alabama Department of Revenue  
Business & License Tax Division  
Severance & License Tax Section  
P. O. Box 327550  
Montgomery, AL 36132-7550.

(5) Upon processing the request, the Severance & License Tax Section shall email the required information to the email address provided. The Department of Revenue is not responsible for invalid or incorrect email addresses.

(6) Please note that current license year information is posted for automotive dismantlers and buyer's identification

card holders on the Department of Revenue's website. This information may be accessed free of charge.

**Author:** Alisa G. Johnson

**Statutory Authority:** Code of Ala. 1975, §40-2A-7(a)(5).

**History: New Rule:** Filed January 30, 1996; effective March 5, 1996. **Amended:** Filed July 26, 2013; effective August 30, 2013.

**810-8-5-.04 Investigation Procedures For Open Assignment Of Title. (REPEALED)**

**Author:** Raymond F. Atkins

**Authority:** Code of Ala. 1975, §§40-2A-7(a)(5), 40-12-396.

**History: New Rule:** Filed October 15, 1998; effective date November 19, 1998. **Repealed:** Filed September 7, 2012; effective October 12, 2012.

**810-8-5-.05 Clarification Of Definitions And Exemptions For Lumber And Timber Dealers.**

(1) Scope: A wholesale lumber and timber dealer is one who buys and resells lumber and timber at wholesale in substantially the same condition as when purchased. This regulation provides definitions and clarifications for the enforcement of Section 40-12-121, Code of Ala. 1975.

(2) Definitions: The following terms shall have the meaning ascribed to them for purposes of this regulation:

(a) Lumber - Timber, esp. that sawed or spilt into boards, planks, staves, etc., and of comparatively small dimensions.

(b) Timber - Land covered by trees from which timber is produced; forest; wood; trees collectively; also a tree or its bole. Wood suitable for building houses, bridges, ships, etc. whether on the tree or cut and seasoned; wood used in carpentry or joinery. A squared or dressed piece of wood, esp. one of comparatively large width and thickness (in United States, four inches or more), ready for use or already forming part of a structure; as the timbers of a roof; bridge or floor timbers. Lumber.

(c) Wholesale Dealer/Jobber - Any persons, firms, or corporations who sell at wholesale only.

(d) Wholesale - a sale to one who intends to, and does, resell to the ultimate consumer.

(3) The following shall be exempt for purchasing this license:

(a) A sawmill, pole mill, veneer mill, planning mill, box factories, etc., regularly licensed under Section 40-12-154 or 40-12-177, shall not become liable for the license tax imposed by this section by reason of his purchasing partially manufactured lumber from other mills, if the processing of said partially manufactured lumber is completed at the plant of the mill operator so purchasing the same and the lumber is thereafter shipped or sold in the same manner as lumber manufactured at the plant of such operator; provided, that such purchases do not exceed in volume the lumber manufactured by such operator at his own plant or plants.

(b) A property owner selling timber from his own property.

**Author:** Raymond F. Atkins

**Statutory Authority:** Code Of Ala. 1975, §§40-2A-7(a)(5), 40-12-121, 40-12-154, 40-12-177.

**History:** **New Rule:** Filed May 13, 1999; effective June 17, 1999.

**810-8-5-.06 Evidence Of Liability Insurance For Motor Vehicle Dealers, Motor Vehicle Reconditioners, Motor Vehicles Rebuilders, Or Motor Vehicle Wholesalers, Licensed Under Act Number 539.**

**(REPEALED)**

**Authors:** Mike Gamble, Alisa G. Johnson, Curtis E. Stewart

**Statutory Authority:** Code of Ala. 1975, §§40-2A-7(a)(5), 40-12-392(a).

**History:** **New Rule:** Filed August 30, 2000, effective October 4, 2000. **Amended:** Filed November 18, 2011, effective December 23, 2011. **Repealed:** Filed August 22, 2012; effective September 26, 2012.

**810-8-5-.07 Bond For New Motor Vehicle Dealers, Used Motor Vehicle Dealers, Motor Vehicle Reconditioners, Motor Vehicle Rebuilders, Or Motor Vehicle Wholesalers. (REPEALED)**

**Authors:** Mike Gamble, Ella Stubbs Jones

**Statutory Authority:** Code of Ala. 1975, §§40-2A-7(a)5, 40-12-398.

**History:** **New Rule:** Filed January 17, 2003; effective February 21, 2003. **Repealed:** Filed July 30, 2012; effective September 3, 2012.

**810-8-5-.08**      **Bond Continuation Certificate For New Motor Vehicle Dealers, Used Motor Vehicle Dealers, Motor Vehicle Reconditioners, Motor Vehicle Rebuilders, Or Motor Vehicle Wholesalers.**      **(REPEALED)**

**Author:** Ella Stubbs Jones

**Statutory Authority:** Code of Ala. 1975, §§40-2A-7(a)(5), 40-12-398.

**History:** **New Rule:** Filed January 17, 2003; effective February 21, 2003. **Repealed:** Filed July 30, 2012; effective September 3, 2012.

**810-8-5-.09**      **Bond Claim For New Motor Vehicle Dealers, Used Motor Vehicle Dealer, Motor Vehicle Reconditioner, Motor Vehicle Rebuilders, Or Motor Vehicle Wholesalers.**      **(REPEALED)**

**Author:** Mike Gamble

**Statutory Authority:** Code of Ala. 1975, §§40-2A-7(a)5, 40-12-398.

**History:** **New Rule:** Filed January 17, 2003; effective February 21, 2003. **Repealed:** Filed July 30, 2012; effective September 3, 2012.

**810-8-5-.10**      **State Boards And Agencies Registration Form.**

(1)      **PURPOSE:** Act 2006-586 requires that the Department of Revenue compose a list of all state boards and agencies that regulate the licensing of businesses or occupations under their jurisdiction. This list is to be distributed to all municipal license officers for use in determining whether license applicants have met regulatory prerequisites for the issuance of business licenses. This rule establishes the form to be used by boards and agencies in registering with the Department.

(2)      **REQUIREMENTS:** Boards and agencies are directed in Code of Ala. 1975, Section 11-51-193(a) to notify the Department in writing of their regulatory requirements. The Department will compose and distribute a list of those boards and agencies that have completed the registration form as prescribed in paragraph three (3) below. The registration form should be submitted to the Alabama Department of Revenue, Sales, Use and Business Tax

Division, License Section, P. O. Box 327550, Montgomery, Alabama 36132-7550.

(3) **REGISTRATION FORM:** The form attached as Appendix A entitled Board/Agency Registration Form should be completed by each board/agency desiring to be included on the list composed by the Department and distributed to municipalities. The following information should be provided.

- (a) Name of state board or state agency.
- (b) Telephone number of board or agency.
- (c) Physical address of board or agency.
- (d) Mailing address of board or agency
- (e) Contact person's name, e-mail address, and telephone number
- (f) North American Industrial Classification System ("NAICS") sector and title for businesses or occupations under the board/agency's jurisdiction.

(g) Signature of director/authorized officer

(4) **NORTH AMERICAN INDUSTRIES CLASSIFICATION SYSTEM (NAICS):** Code of Ala. 1975, Section 11-51-90B(a)(2), requires every taxpayer to be classified into one or more NAICS sectors. The attached Appendix B lists the NAICS sectors and titles as shown in Act 2006-586. In order for the municipal license officers to comply with licensing prerequisites, each board or agency must determine the NAICS sectors of businesses subject to its jurisdiction. These sectors and titles are to be included on the registration form required to be completed in paragraph three (3) above.

(5) **CHANGES IN BOARDS OR AGENCIES:** A new registration form as prescribed in paragraph three (3) above, should be submitted by a board or agency to notify the Department of any changes (i.e. address, telephone number, regulatory requirements) to be communicated to municipal license officers.

(6) **INITIAL DISTRIBUTION:** Boards and agencies furnishing the required registration form prior to November 1, 2006 will be included in the initial list to be distributed to municipal license officers on or about December 1, 2006.

**Author:** Ella Jones

**Statutory Authority:** Code of Ala. 1975, §40-2A-7(a)(5), Act 2006-586.

**History: New Rule:** Filed October 26, 2006; effective November 30, 2006.

**810-8-5-.11      Mechanism To Be Used To Notify Municipalities.**

(1)            **PURPOSE:** Act 2006-586 requires the Department of Revenue to distribute a list of state regulatory boards and agencies to all municipal license officers. In order to ensure that the list of regulatory boards and agencies is received at the proper place and in a timely manner, the Department will send the list to the location and contact person of each municipality as designated on the registration form filed with the Department.

(2)            **REQUIREMENT:** The Department is required to distribute a list of regulatory boards and agencies to municipal license officers for use in issuing business licenses. The list will be distributed to municipalities using the addresses shown on the forms prescribed in paragraph three (3) below. The form should be submitted to the Alabama Department of Revenue, Sales, Use and Business Tax Division, License Section, P. O. Box 327550, Montgomery, Alabama 36132-7550.

(3)            **REGISTRATION FORM:** The form attached as Appendix A entitled Municipality Registration Form should be completed by each municipality to indicate the location and contact person to receive the list of state regulatory boards and agencies. The following information should be provided.

- (a)            Municipality's (city or town) name.
- (b)            Telephone number.
- (c)            Physical address.
- (d)            Mailing address.
- (e)            Contact person's name, e-mail address, and telephone number.
- (f)            Preferred delivery method.
- (g)            Signature of authorized officer.

(4)            **REPORTING CHANGES:** Any changes (i.e. address, telephone number, contact person) should be reported to the

Department in writing on a registration form, as prescribed in paragraph three (3) above.

(5) **INITIAL DISTRIBUTION:** Municipalities furnishing the required registration form prior to November 1, 2006 will receive the initial list of regulatory boards to be distributed on or about December 1, 2006.

**Author:** Ella Jones

**Statutory Authority:** Code of Ala. 1975, §40-2A-7(a)(5), Act 2006-586.

**History: New Rule:** Filed October 26, 2006; effective November 30, 2006.

**810-8-5-.12 Buyer's Identification Cards For Automotive Dismantlers And Parts Recyclers.**

(1) **PURPOSE:** Code of Ala, 1975, Section 40-12-421 restricts sales at salvage pools or salvage disposal sales to persons holding a current automotive dismantler and parts recycler license or their agents or employees. It also provides that each such person must have a separate buyer's identification card to buy at a salvage pool or salvage disposal sale. Further, it provides that such cards are to be valid as long as the holder is a licensed automotive dismantler and parts recycler or an agent or employee of the same licensed automotive dismantler and parts recycler at the time the card is issued. This rule establishes that all cards previously issued by the Department of Revenue will expire as of the end of the current license year for automotive dismantlers and parts recyclers, and that new cards must be issued annually to currently licensed automotive dismantlers and parts recyclers.

(2) **ELIGIBILITY:** The buyer's identification card authorizing a holder to bid on or buy motor vehicles at a salvage pool or salvage disposal sale shall be available to any person, firm, or corporation that possesses a current Alabama automotive dismantler and parts recycler license under Code Section 40-12-411. Cards are also available to salvage dealers licensed in other states under a license equivalent to the Alabama automotive dismantler and parts recycler license.

(3) **EXPIRATION OF PREVIOUSLY ISSUED CARDS:** All buyers' identification cards issued by the Department through September 30, 2006 will expire at midnight on September 30, 2006, unless previously invalidated by the failure of the license holder to maintain its Alabama automotive dismantler and parts recycler license, or equivalent license issued by another state,

in good standing. Holders of valid cards on September 30, 2006 may continue to bid on or buy motor vehicles at a salvage pool or salvage disposal sale for the thirty day grace period ending October 30, 2006. All persons wishing to bid on or buy motor vehicles at a salvage pool or salvage disposal sale after October 30, 2006 must have a current buyer's identification card.

(4) **APPLICATION FOR BUYER'S IDENTIFICATION CARD:**

(a) Dismantlers wishing to obtain a buyer's identification card or cards must submit an application to the Department on the prescribed form containing the following information.

1. Name, business and mailing address, and telephone number of the licensed automotive dismantler and parts recycler.
2. Name, home address and telephone number of an owner or officer of the dismantler.
3. Signature of the owner or officer listed in (2).
4. Name, home address, telephone number and physical description of each buyer. Physical description means date of birth, sex, race, height, weight, hair color, and eye color.
5. Signature of each buyer for whom a buyer's identification card is sought.

(b) The following must be attached to the buyer's identification card application.

1. A copy of the buyer's state issued driver's license containing a valid picture of the buyer.
2. If the Dismantler is licensed in a state other than Alabama, a copy of the current equivalent license as described in paragraph 5 below.
3. The processing fee for each buyer for whom a buyer's identification card is sought.

(5) **EQUIVALENT LICENSE TO THE ALABAMA DISMANTLER AND PARTS RECYCLER LICENSE:**

(a) A license issued by another state of the United States of America will be considered equivalent to the Alabama automotive dismantler and parts recycler license if the licensing laws of the other state provide for all of the following.

1. Authorization to engage in the business of purchasing and dismantling, disassembling or repairing, wrecked, abandoned, or repairable motor vehicles, and selling the usable parts thereof; or the business of selling such wrecked, abandoned, or repairable motor vehicles as a unit at wholesale, or selling the hulk of the vehicle after the salvageable parts have been removed.
2. A physical location within the state of licensure.
3. Maintenance of records of all purchases and sales of vehicles for a period of five years from the date of purchase or sale, including the name and address of each purchaser or seller. Such records must be made available for inspection by agents of the State of Alabama at the automotive dismantler and parts recycler's business location during reasonable business hours on business days.

(b) A license issued by a political subdivision of a state, or by a municipality will not be considered equivalent to the Alabama automotive dismantler and parts recycler license, nor will a license issued by a foreign country or by a state or province of a foreign country be considered equivalent.

(6) **BUYER'S IDENTIFICATION CARD INFORMATION:**

(a) Buyers' identification cards will be issued by the Department on a form containing the following information.

1. Expiration Date.
2. Name, business address and license number of the licensed dismantler and parts recycler.
3. Name, home address, driver's license number and physical description (date of birth, sex, race, height, weight, hair color and eye color) of the buyer.

(b) Space will be provided for the signature of the owner or officer of the dismantler, and for the signature of the buyer. Buyers' identification cards will not be valid unless signed by the owner or officer and by the buyer.

(7) **PROCESSING FEE:** The processing fee for a buyer's identification card is specified in Code Section 40-12-421. The fee must be submitted along with the application for each card.

(8) **EXPIRATION DATE:** All buyers' identification cards will be valid from October 1 through September 30 of each year and will expire at the same time that the Alabama automotive

dismantler and parts recycler licenses expire. Annually, holders of valid cards on September 30 may continue to bid on or buy motor vehicles at a salvage pool or salvage disposal sale for the thirty day grace period ending each October 30. Persons wishing to bid on or buy motor vehicles at a salvage pool or salvage disposal sale after October 30 must have a current buyer's identification card.

(9) **REVOCAION OF BUYERS' IDENTIFICATION CARDS:**

(a) All buyers' identification cards become invalid if the holder is no longer a licensed automotive dismantler and parts recycler or an agent or employee of the same licensed automotive dismantler and parts recycler at the time the card is issued.

(b) Buyers' identification cards issued to dismantlers licensed in other states may be revoked for failure to comply with the conditions of the Alabama automotive dismantler and parts recycler license, regardless of whether the dismantler's license issued by the other state is revoked, or for failure to permit inspection of records of purchases and sales as required under Section (5) hereof.

(10) **MAXIMUM CARDS:** A person, firm, or corporation who is a license holder under Section 40-12-421 is limited to no more than three (3) buyers' identification cards. Buyers' identification cards are not transferable. If a buyer is no longer an employee or agent of the dismantler, the dismantler must return the card issued to the former employee or agent, to the Alabama Department of Revenue, and may submit a new application for a new employee or agent. The new application must contain all required information and be accompanied by the required attachments and the processing fee.

(11) **REPLACEMENT CARDS:** If a buyer's identification card is lost or damaged, the dismantler may apply for a duplicate card, by completing a new application, furnishing all required information and paying the processing fee for a new card. Damaged cards must be returned to the Department of Revenue.

(12) **REPORTING CHANGES:** Any changes (i.e. business entity, eligible applicant, address, telephone number) should be reported to the Alabama Department of Revenue, Sales, Use and Business Tax Division, License Section, P. O. Box 327550, Montgomery, Alabama 36132-7550. Failure to report such changes could result in the revocation of the buyer's identification card(s).

**Author:** Ella Jones

**Statutory Authority:** Code of Ala. 1975, §40-2A-7(a)(5), 40-12-421, 40-12-422.

**History: New Rule:** Filed January 29, 2007; effective March 5, 2007. **Amended:** Filed August 15, 2008; effective September 19, 2008.

**810-8-5-.13 Internet-Based Electronic Motor Vehicle Dealer Application And Payment Of Fees. (REPEALED)**

**Authors:** Mike Gamble, Loretta Nelson

**Statutory Authority:** Code of Ala. 1975, §§40-2A-7(a)(5), Title 40, Chapter 30.

**History: New Rule:** Filed November 17, 2009, effective December 22, 2009. **Repealed:** Filed June 27, 2012; effective August 1, 2012.

**810-8-5-.14 Internet-Based Automotive Dismantler And Parts Recycler And BID Card Applications And Fees.**

(1) Code of Ala. 1975, Title 40, Chapter 12, Article 9 requires persons desiring to obtain an automotive dismantler and parts recyclers and a buyer's identification (BID) card to file an application(s) with the Alabama Department of Revenue and remit the required application fee(s).

(2) Under the authority of Chapter 30 of Title 40 Code of Ala. 1975, the Department will offer a paperless filing and payment system for the purpose of providing taxpayers with the capability to electronically file the automotive dismantler and parts recyclers and buyer's identification (BID) card application(s) and pay the application fee(s) from a personal computer. A complete application filed via the Internet will consist of data transmitted electronically and shall contain the same information as the corresponding application filed entirely on paper.

(3) Electronic filing of the Application for the Automotive Dismantler and Parts Recycler (LIC: 756-1) and the Application for Buyer's Identification Card (LIC:756-3) will become available September 2012 and effective with the 2012-2013 license year, the above applications will be required to be filed electronically. The applicant must be able to upload all required documents electronically in an acceptable format.

(4) The application attachment information to be provided to the Department through Internet-based filing or other

electronic transmission with respect to the automotive dismantler and parts recycler license application and buyer's identification card application is the same information outlined in the corresponding form type and/or rule shown below:

Description of Attachment to Application	Form Type Containing Layout	Rule
Dismantler LLC Authorization Form	AUTH-1	
Copy of Applicant Driver's License	LIC: 756-3	810-8-5-.12
Copy of current equivalent license (out-of-state dismantlers)	LIC: 756-3	810-8-5-.12

(5) Applicant must have a valid email address to receive the approved license and/or BID card(s).

(6) Under certain circumstances a taxpayer may request a waiver from the Commissioner of Revenue to file in another department approved manner. These circumstances include:

- (a) No Computer,
- (b) No Internet Access,
- (c) Incompatible Computer Hardware,

(d) Any special circumstance (i.e. physical disability) deemed worthy of a waiver by the Commissioner of Revenue:

1. A request for waiver must be submitted in writing and include the business name and address, license number, if applicable, and reason(s) why a method other than the prescribed method is necessary.

2. Waivers are valid for the current license year only. A separate waiver request must be submitted for each license year.

3. Applicant will be notified of the Department's decision whether or not to grant the waiver request and if applicable, the reason for the denial.

(7) The above applications will be considered timely filed when due if filed electronically by the last day before the application is considered delinquent. The amount due with the

application will be considered timely paid if paid in accordance with the rules of the electronic funds transfer provider.

**Author:** Alisa G. Johnson

**Statutory Authority:** Code of Ala. 1975, §40-2A-7(a)(5), Title 40, Chapter 30.

**History: New Rule:** Filed July 30, 2012, effective September 3, 2012.

**810-8-5-.15 Quinquennial Adjustment To Municipal Business License Issuance Fees.**

(1) **PURPOSE:**

(a) Act 2006-586 was passed in the 2006 Regular Session of the Alabama Legislature and signed into law on April 26, 2006. This Act was codified in Title 11, Section 51, Article 2. Section 11-51-90 requires the Department of Revenue to distribute information every five years to all municipalities and the Alabama League of Municipalities regarding any required adjustment to the municipal business license issuance fee, rounded to the nearest dollar. The failure of the Department of Revenue to so notify all municipalities and the Alabama League of Municipalities shall not, however, prohibit a municipality from increasing the issuance fee, if any increase is otherwise due. This rule establishes procedures for the calculation of any such increase, if applicable, and the methods for notification.

(2) **DEFINITIONS:**

(a) Finished Goods - completed manufactured products which are ready for sale and delivery to the marketplace.

(b) License Year - calendar year (January 1 through December 31)

(c) North American Industrial Classification System (NAICS) - industries and their products.

(d) Producer Product Index - an output price index that measures price changes received by domestic producers of goods and services. It is neither a buyer's index nor an input price index and does not measure the cost of producing that item.

(3) **REQUIREMENTS:**

(a) The municipal business license issuance fee shall be increased every five license years by the Department of

Revenue by an amount equal to the percentage increase, if any, in the U.S. Department of Labor's Producer Price Index during that five-year period, rounded to the nearest dollar, with the base year being 2006.

(b) The Department of Revenue shall notify all municipalities and the Alabama League of Municipalities of any such fee increase no later than November 30 proceeding the license year for which the increase shall take effect.

(c) Based upon the fact that finished goods incorporate various industries and that a composite producer price index is not available for each calendar year, the Department of Revenue will utilize the U. S. Department of Labor's Producer Price Index for finished goods to compute the base year (2006) and the subsequent five-year adjustments.

(4) CALCULATION:

(a) Initial calculation: The average Producer Price Index for finished goods during calendar years 2006 and 2011 was employed to calculate the increase in the municipal business license issuance fee for the license year beginning January 1, 2013. An average of the producer price indexes during 2006 was determined by totaling the indexes for the period January 2006 through December 2006 and dividing by 12. An average of the producer price indexes during 2011 was determined by totaling the indexes for the period January 2011 through December 2011 and dividing by 12. The percent of increase was determined by calculating the difference between the 2011 average index (190.7) and the 2006 average index (160.3) and dividing this amount (30.4) by the base year index (160.3). The result was an 18.96 percent increase. The percent increase applied to the \$10.00 initial municipal business license issuance fee results in an adjusted license issuance fee of \$12.00. ( $\$10.00 \times 1.1896 = \$11.90$ , rounded to the nearest dollar). See Appendix for calculation method.

(b) Subsequent calculations: For each succeeding five years, the Producer Price Index for finished goods for the year preceding the fifth license year shall be used to determine an increase, if any, in the municipal business license issuance fee. This will be determined by averaging the indexes for the previous year and comparing this figure to the base year average index of 160.3, calculating the percent increase, if applicable, and rounding the application of the increase to the nearest dollar amount. 2016 will be the next year subject to an analysis with a determination of such increase to be published by the Department of Revenue by November 30, 2017. Further analysis will be completed every five years.

(4) **NOTIFICATION METHODS:**

(a) The Alabama Department of Revenue will notify all municipalities that furnish the required registration form as described in departmental rule 810-8-5-.11 and the Alabama League of Municipalities of the applicable issuance fee increase on or about November 30, 2012 via the U.S. Postal Service and via email; provided a valid email address is provided to the Department. Thereafter, notices regarding any such increases will be available on or about November 30 of the year preceding the fifth license year.

(b) The Alabama Department of Revenue will place a notice regarding any applicable increase in the municipal business license issuance fee on its website on or about November 30 of every five-year period beginning November 30, 2012.

(c) Municipalities shall notify the Department of Revenue in writing of any changes in their mailing and email addresses, if applicable.

**Author:** Alisa G. Johnson

**Statutory Authority:** Code of Ala. 1975, §§40-2A-7(a)(5), 11-51-90(a)(2), and Title 11, Section 51, Article 2.

**History: New Rule:** Filed August 22, 2012, effective September 26, 2012.

**810-8-5-.16 Electronic Filing Of Severance Tax Returns And Supporting Supplemental Forms.**

(1) The returns and reports listed below will be required to be filed electronically pursuant to Chapter 30 of Title 40, Code of Ala. 1975:

(a) The Forest Products Severance Tax Returns (FPST-1, FPST-3, FPST-4),

(b) The Iron Ore Severance Tax Return,

(c) The Coal Severance Reports (CST-1, CST-2, CST-3),

(d) The Uniform Severance Tax Returns (AUST, AUST-A),  
and

(e) The Local Solid Minerals Tax Returns (Coosa County: CCEM-1; Jackson County: JCMT-1 and Marshall County).

(2) Electronic filing of the above returns and reports will be required effective **September 2012** (August monthly return which is due September 2012, and any quarterly return which is due after September 2012). A complete return filed via the Internet will consist of data transmitted electronically and shall contain the same information as the corresponding return which is being filed entirely on paper.

(3) Under certain circumstances a taxpayer may request a waiver from the Commissioner of Revenue to file in another department approved manner. These circumstances include taxpayer situations where:

- (a) No Computer,
- (b) No Internet Access,
- (c) Incompatible Computer Hardware,

(d) Or, any special circumstance (i.e. physical disability) deemed worthy of a waiver by the Commissioner of Revenue.

1. A request for waiver must be submitted in writing and include the business name and address, account number and reason(s) why a method other than the prescribed method is necessary.

2. Waivers are valid for the current fiscal year only. A separate waiver request must be submitted for each fiscal year.

3. The taxpayer will be notified of the Department's decision whether to grant the waiver request and if applicable, the reason for the denial.

(4) The above returns and reports will be considered timely filed if filed electronically by the last day before the return or report is considered delinquent. The amount due with the return will be considered timely paid if paid in accordance with the rules of the electronic funds transfer provider.

**Author:** Loretta Nelson

**Statutory Authority:** Code of Ala. 1975, §40-2A-7(a)(5), Title 40, Chapter 30.

**History: New Rule:** Filed August 22, 2012, effective September 26, 2012.

810-8-5-.17 Bond Of Automotive Dismantler And Parts Recycler.

(1) PURPOSE: Section 40-12-414, Code of Ala. 1975, requires Alabama automotive dismantler and parts recyclers to deliver to the Commissioner a continuing surety bond in the amount prescribed in Section 40-12-398.

(2) BOND FORM: The bond form must be in a form as prescribed in the attached appendices and the surety company shall provide the following information:

(a) The true legal name of the party for whom a bond is being sought, as follows:

1. If an individual, the applicant's name as well as the business name.

2. If a partnership, the names of all partners and the name of the partnership.

3. If a single member LLC, the LLC company name followed by the sole member name. If a multi-member LLC, the name of the company.

4. If a corporation, the corporate name.

(b) The city, county and state in which the business is located.

(c) The name and address of the surety company providing the coverage.

(d) The effective date of the bond coverage.

(e) The original signature of an agent of the surety company.

(f) A telephone number for the surety company.

(g) The signature of the applicant (individual), all partners, all members of the LLC or a corporate officer.

(3) BOND REQUIREMENTS:

(a) The bond must be accompanied by a power of attorney form indicating that the agent is authorized to execute the bond on behalf of the surety company.

(b) The bond form and power of attorney must have the same issue date.

(c) The bond form shall be an original with original signatures and shall be forwarded to the Commissioner of Revenue.

(d) The bond shall be continuous. However, in the event of cancellation, the surety company shall provide 60 days written notice with the Department prior to being released and discharged from the bond.

(e) The bond shall be payable to the Alabama Commissioner of Revenue.

(f) Per Rule 810-8-5-.14 bond must be scanned and uploaded electronically to the Department, as required.

**Author:** Alisa Johnson

**Authority:** Code of Ala. 1975, §§40-2A-7(a)5, 40-12-414.

**History: New Rule:** Filed July 26, 2013, effective

August 30, 2013. **Amended:** Filed December 9, 2015, effective January 13, 2016.

**810-8-5-.18 Bond Claim For Automotive Dismantler And Parts Recyclers.**

(1) **PURPOSE:** Section 40-12-414, Code of Ala. 1975, states that the bond shall be approved by the Commissioner of Revenue, payable to the State of Alabama, in favor of any person who shall recover any judgment for any loss as a result of any violation of the conditions of an automotive dismantler and parts recycler. This rule establishes the procedures to be followed for making a bond claim with the Commissioner.

(2) **JUDGMENT REQUIRED:** In order to make a bond claim, a claimant must first secure a final judgment from a court of competent jurisdiction.

(3) **COLLECTION EFFORT:** A person wishing to make a bond claim must exhaust all available remedies in attempting to collect the judgment, prior to making a bond claim with the Commissioner.

(4) **REQUIRED DOCUMENTS:** The following items must be submitted to the Commissioner in order for a bond claim to be processed:

(a) A complaint relating to the violation of any provisions of law relating to the conduct of the business of an automotive dismantler and parts recycler.

(b) A final judgment relating to the complaint in item (a) above. The judge rendering such must sign the judgment. No certificate or any other document that is not signed by the judge will be accepted.

(c) A description of efforts made to enforce the judgment; along with a statement of all amounts recovered, or a statement that no amount has been recovered.

(5) CLAIM PROCEDURES: The following procedures will be followed when processing bond claims:

(a) Upon receipt and review of the required documents, the Department will determine if the automotive dismantler and parts recycler has in fact violated the provisions of Title 40, Chapter 12, Article 9, as evidenced by the documents presented.

(b) If additional information is required, the plaintiff will be contacted.

(c) Upon receipt of the properly completed documentation, the Department shall file a claim with the surety company of record. The maximum amount of the claim filed cannot exceed the value of the bond.

(d) Upon receipt of the claim, the surety company has 30 days to remit the payment or request an extension to further investigate the claim.

(e) The surety company may request additional information from the plaintiff to substantiate the claim.

(f) Upon determination that the claim is valid, the surety company shall remit payment to the Alabama Department of Revenue.

(g) The Department shall endorse the check from the surety company and mail it to the plaintiff.

(h) If the surety company fails to respond by the deadline, a claim shall be forwarded to the Department's Legal Division for further action.

**Author:** Alisa Johnson

**Authority:** Code of Ala. 1975, §§40-2A-7(a)5, Title 40, Chapter 12, Article 9.

**History: New Rule:** Filed July 26, 2013, effective August 30, 2013.

810-8-5-.19 Suspension Of Iron Ore Severance Tax.

(1) Act 2014-331 was signed into law on April 7, 2014 and becomes effective on July 1, 2014. In accordance with Section 40-1-49, Code of Ala. 1975, as created by this Act, the Department of Revenue, by administrative rule, shall suspend the collection of a tax or fee when the cost of administering the collection of the tax exceeds the total amount of the tax collected for the previous three fiscal years.

(a) Sections 40-12-128 through 40-12-130 provides for a privilege license tax on iron ore mining within Alabama.

(b) Based upon a review of the collections of the Iron Ore Severance Tax for fiscal years 2011-2013, the annual administrative costs exceed the three-year average revenue collections for this tax. Therefore, this tax meets the suspension requirements established in the Act.

(c) Through the adoption of this rule, the Department of Revenue exercises its authority to suspend the collection of the Iron Ore Severance Tax levied in Sections 40-12-128 through 40-12-130.

(d) The effective date of this suspension shall be October 1, 2014.

(e) The September 2014 return which is due by October 20, 2014 shall be the final return submitted for the iron ore severance tax.

(f) Upon implementation of this rule, the Department shall notify all affected parties in writing.

**Author:** Alisa Johnson

**Statutory Authority:** Code of Ala. 1975, §§40-2A-7(a)(5); 40-1-49.

**History: New Rule:** Filed August 27, 2014; effective October 1, 2014.

APPENDIX A - CHAPTER 810-8-5

ATTACHMENT 810-8-5-.07

Appendix A

ALABAMA DEPARTMENT OF REVENUE  
SALES, USE & BUSINESS TAX DIVISION

Lic: 539-4A Rev 7/02

BOND NUMBER \_\_\_\_\_

**Bond of Used Motor Vehicle Dealer,  
Motor Vehicle Reconditioner, Rebuilder, or Wholesaler**

KNOW ALL MEN BY THESE PRESENTS, that we \_\_\_\_\_

City \_\_\_\_\_, County \_\_\_\_\_, State \_\_\_\_\_

As Principal (hereinafter called Principal), and \_\_\_\_\_  
NAME OF SURETY

of \_\_\_\_\_, SS-  
Surety (hereafter call Surety), are held and firmly bound unto the State of Alabama in the sum of Ten Thousand Dollars (\$10,000.00), for the payment of which, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

The conditions of the foregoing obligations is such that:

WHEREAS, the Principal has been duly appointed a "Used Motor Vehicle Dealer," "Motor Vehicle Reconditioner," "Motor Vehicle Rebuilder," or "Motor Vehicle Wholesaler" as the case may be, under the provisions of Title 40, Chapter 12, Article 8, Code of Alabama 1975, such Principal shall comply with the conditions of any contract made by such dealer in connection with the sale or exchange of any motor vehicle and shall not violate any of the provisions of law relating to the conduct of the business for which he is licensed.

It is expressly understood and agreed that neither this obligation nor any liability thereunder shall be released or the validity thereof effected by reason of the adoption by the State of Alabama of any Act in lieu of or amendatory to said laws, but this obligation shall continue in full force and effect with respect to said statutes or any amendments thereto or changes therein which may be adopted before the cancellation of this obligation as herein provided, or before the actual cancellation and surrender of this obligation by the State of Alabama pursuant to any law now existing or hereafter adopted relating thereto.

It is further expressly understood and agreed that the liability of both the Principal and the Surety on this bond shall be for the license period of \_\_\_\_\_ through September 30, \_\_\_\_\_ and that a new bond or a proper continuation certificate must be delivered to the Alabama Commissioner of Revenue AT THE BEGINNING OF THE LICENSE YEAR, WHICH IS OCTOBER 1, AND EXPIRING ON SEPTEMBER 30 OF THE SAME LICENSE YEAR; provided, however, that the aggregate liability of the Surety in any one license year shall in no event exceed the sum of such bond.

The Surety on this bond may be released and discharged from any and all liability to the State of Alabama accruing on this bond after the expiration of sixty (60) days from the date upon which said Surety shall have filed with the Alabama Department of Revenue written request to be released and discharged; provided, however, such request shall not operate to relieve, release or discharge such Surety from any liability already accrued or which shall accrue before the expiration of said sixty (60) day period.

In WITNESS WHEREOF, we herunto set our names and seals on this the \_\_\_\_\_ day of \_\_\_\_\_,

\_\_\_\_\_  
SURETY

\_\_\_\_\_  
SIGNATURE OF PRINCIPAL, PARTNER, CORPORATE OFFICER

By: \_\_\_\_\_  
SIGNATURE OF AGENT OF SURETY COMPANY

\_\_\_\_\_  
SIGNATURE OF PARTNER

By: \_\_\_\_\_  
SIGNATURE OF ALABAMA RESIDENT AGENT

\_\_\_\_\_  
SIGNATURE OF PARTNER

Telephone (\_\_\_\_\_) \_\_\_\_\_

\_\_\_\_\_  
COMMISSIONER OF REVENUE

ALL NAMES MUST BE TYPED UNDER SIGNATURES

**Author:**

**Statutory Authority:** Code of Ala. 1975, §§40-2A-7(a)(5), 40-12-398.

**History:** New Form (Lic: 539-4A Rev 7/02): Filed January 17, 2003; effective February 21, 2003.

APPENDIX A - CHAPTER 810-8-5

ATTACHMENT - 810-8-5-.08

Appendix

Lic:539-5 07/02

ALABAMA DEPARTMENT OF REVENUE  
SALES, USE & BUSINESS TAX DIVISION

CONTINUATION CERTIFICATE

of

New Motor Vehicle Dealer, Used Motor Vehicle Dealer,  
Motor Vehicle Reconditioner, Rebuilder, or Wholesaler

The \_\_\_\_\_ (hereinafter called the Surety)  
hereby continues in force its Bond No. \_\_\_\_\_ in the sum of  
\_\_\_\_\_ Dollars (\$ \_\_\_\_\_), on behalf  
of \_\_\_\_\_ in  
favor of the State of Alabama, Department of Revenue for the term beginning on the  
\_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ and ending on the 30<sup>th</sup> Day of  
September, \_\_\_\_\_, subject to all the covenants and conditions of said Bond.

IN WITNESS WHEREOF, the Surety has caused this instrument to be signed by its officers  
proper for the purpose and its corporate seal to be hereto affixed this \_\_\_\_\_ day of

\_\_\_\_\_

\_\_\_\_\_  
SURETY

By \_\_\_\_\_

**Author:**

**Statutory Authority:** Code of Ala. 1975, §§40-2A-7(a)(5),  
40-12-398.

**History:** **New Form (Lic: 538-5 7/02):** Filed January 17, 2003;  
effective February 21, 2003.

APPENDIX A - CHAPTER 810-8-5

ATTACHMENT - 810-8-5-.10



**Alabama Department of Revenue**  
**Sales, Use & Business Tax Division**  
**Severance & License Tax Section**  
 P. O. Box 327550 • Montgomery, AL • 36132-7550  
 (334) 353-7827

Date Received
For Department Use Only

**Board/Agency Registration Form**  
**Municipal Business Licenses**  
**Code of Alabama 1975, Section 11-51-193**

PLEASE TYPE OR PRINT LEGIBLY AND ANSWER ALL QUESTIONS APPLICABLE TO YOUR BOARD/AGENCY

a. Name: Board/Agency		b. Telephone Number	
c. Physical Location (Street)			
Physical Location (City & Zip Code)			
d. Mailing Address (Street or P.O. Box)			
City	State	Zip Code	
e. Contact Person			
E-Mail Address		Telephone Number	
f. Business Entities Required to Obtain License/Permit Prior to Conducting Business:			
NAICS Sector	NAICS Title		
(Attach Additional Sheets if Needed)			
Signature of Director/Authorized Officer			Date
MAIL TO: Alabama Department of Revenue Sales, Use & Business Tax Division Severance & License Tax Section P. O. Box 327550 Montgomery, AL 36132-7550 (334) 353-7827			

**Statutory Authority:** Code of Ala. 1975, §40-2A-7(a)(5), Act 2006-586.

**History:** **New Form (Board/Agency Registration Form):** Filed October 26, 2006; effective November 30, 2006.

APPENDIX A - CHAPTER 810-8-5

ATTACHMENT - 810-8-5-.11



Alabama Department of Revenue  
Sales, Use & Business Tax Division  
Severance & License Tax Section  
P. O. Box 327550 • Montgomery, AL • 36132-7550  
(334) 353-7827

Date Received  
  
For Department Use Only

Municipality Registration Form

Municipal Business Licenses

Code of Alabama 1975, Section 11-51-193

PLEASE TYPE OR PRINT LEGIBLY AND ANSWER ALL QUESTIONS APPLICABLE TO YOUR MUNICIPALITY

a. Name: Municipality (City or Town)		b. Telephone Number	
c. Physical Location (Street)			
Physical Location (City & Zip Code)			
d. Mailing Address (Street or P.O. Box)			
City	State	Zip Code	
e. Contact Person			
E-Mail Address		Telephone Number	
f. Check the box to indicate Preferred Delivery Method:		U.S. Mail <input type="checkbox"/>	E-Mail <input type="checkbox"/>
Signature of Authorized Officer		Date	

MAIL TO: Alabama Department of Revenue  
Sales, Use & Business Tax Division  
Severance & License Tax Section  
P. O. Box 327550  
Montgomery, AL 36132-7550  
(334) 353-7827

**Statutory Authority:** Code of Ala. 1975, §40-2A-7(a)(5), Act 2006-586.

**History:** **New Form (Municipality Registration Form):** Filed October 26, 2006; effective November 30, 2006.

APPENDIX A - CHAPTER 810-8-5

ATTACHMENT - 810-8-5-.12



ALABAMA DEPARTMENT OF REVENUE
SALES, USE & BUSINESS TAX DIVISION
Application For Buyer's Identification Card

As Required By Section 40-12-421, Code of Alabama 1975

PLEASE TYPE OR PRINT

LIC: 756-3 12/08

FOR OFFICE USE ONLY
Card # \_\_\_\_\_
Date \_\_\_\_\_

1. APPLICANT'S NAME
2. HOME ADDRESS
3. HEIGHT, WEIGHT, HAIR COLOR, EYE COLOR, RACE, SEX, DATE OF BIRTH
4. DRIVER'S LICENSE NUMBER, STATE, SOCIAL SECURITY NUMBER
5. NAME OF FIRM
6. ADDRESS OF FIRM
7. APPLICANT'S ASSOCIATION WITH THE FIRM SHOWN ABOVE

8. Section 40-12-421(c)(2), Code of Alabama 1975, reads in part that the "Buyers identification cards are not transferable, and should the holder no longer be a licensed automotive dismantler and parts recycler or an agent or employee of a licensed automotive dismantler and parts recycler, then the card becomes invalid and it is the duty of the holder to return the same to the Department of Revenue."

Acknowledge your awareness of this requirement by initialing here: \_\_\_\_\_

9. Processing Fee: \$10.00
Make check or money order payable to: Alabama Commissioner of Revenue
Mail to: Alabama Department of Revenue, Sales, Use & Business Tax Division, License Section, P. O. Box 327550, Montgomery, AL 36132-7550.

Under penalties of perjury, I declare that the above information is true, correct and complete to the best of my knowledge and belief.

APPLICANT'S SIGNATURE
Before me, the undersigned, a Notary Public in and for said State and County, on this day personally appeared the above-signed individual(s), who, after first being duly sworn by me, disposes and says that he/she has personal knowledge of the matter and things contained in this application that he/she is duly authorized and empowered to verify the same, and that same are true and correct.

Subscribed and sworn to before me this the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

My Commission Expires \_\_\_\_\_ NOTARY PUBLIC

The Following Must Be Completed By Owner, Partner, or Corporate Official of Firm Shown in Line 5 Above
My firm is licensed under Sections 40-12-410 through 40-12-425, Code of Alabama 1975, as an Automotive Dismantler and Parts Recycler.
My firm is licensed in the State of \_\_\_\_\_ as an Automotive Dismantler and Parts Recycler or has an equivalent license of the same occupation A COPY OF WHICH IS ENCLOSED.

State License Number: \_\_\_\_\_ SIGNATURE \_\_\_\_\_

License Expires: \_\_\_\_\_ TITLE \_\_\_\_\_

Before me, the undersigned, a Notary Public in and for said State and County, on this day personally appeared the above-signed individual(s), who, after first being duly sworn by me, disposes and says that he/she has personal knowledge of the matter and things contained in this application; that he/she is duly authorized and empowered to verify the same, and that same are true and correct. Subscribed and sworn to before me this the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

My Commission Expires \_\_\_\_\_ NOTARY PUBLIC

NOTE: Both the applicant and the owner signatures must be notarized.

**Please Read Before Completing Application**  
Codified under Section 40-12-421, Code of Alabama 1975

**In order to obtain a buyer's identification card, a person, firm, or corporation must:**

(1) Be a licensed Alabama automotive dismantler and parts recycler or agent or employee of a licensed automotive dismantler and parts recycler or a salvage dealer licensed in another state under a license that is equivalent to the Alabama automotive dismantler and parts recycler license.

(2) Pay a fee of \$10.00 to the Alabama Department of Revenue for processing said buyer's identification card.

**Additional Information:**

(1) All buyers' identification cards will be valid from October 1 through September 30 of each year and will expire at the same time that the Alabama automotive dismantler and parts recycler licenses expire.

(2) A person, firm, or corporation who is a license holder is limited to no more than three (3) buyers' identification cards per license year.

(3) If a buyer is no longer an employee or agent of the dismantler, the dismantler must return the card issued to the former employee or agent to the Alabama Department of Revenue. The dismantler may submit a new application that contains all required information and be accompanied by the required attachments and the processing fee.

(4) If a buyer's identification card is lost or damaged, the dismantler may apply for a duplicate card, by completing a new application, furnishing all required information and paying the processing fee for a new card.

(5) It shall be unlawful for the owner, manager, or person in charge of any salvage pool or salvage disposal sale to permit the bidding by a person who does not possess a valid buyer's identification card that is issued in the bidder's name.

**Please Advise This Office in Writing if Your Buyer's Identification Card is Lost or Stolen**

**Write To:** Alabama Department of Revenue  
Sales, Use & Business Tax Division  
Severance & License Section  
P.O. Box 327550  
Montgomery, AL 36132-7550  
Phone (334) 353-7827

**Additional forms and information may be obtained at [www.revenue.alabama.gov](http://www.revenue.alabama.gov).**

**Statutory Authority:** Code of Ala. 1975, §§40-12-421, 40-12-422.  
**History:** New Form (Application for Buyers' Identification Card LIC:756-3 6/06): Filed January 29, 2007; effective March 5, 2007.

APPENDIX A - CHAPTER 810-8-5

ATTACHMENT - 810-8-5-.13



ALABAMA DEPARTMENT OF REVENUE
SALES, USE & BUSINESS TAX DIVISION
SEVERANCE & LICENSE SECTION

P.O. Box 327550 • Montgomery, AL 36132-7550 • (334) 353-7827

LIC: 539-3 Rev. 7/09

For Office Use Only

New Renewal

Application for Act 539 Regulatory License

October 1, 2009 through September 30, 2010

County

Applying For: Franchised New Motor Vehicle Dealer, Used Motor Vehicle Dealer (Retail), Extra Locations, Total Enclosed With Application. Includes checkboxes for Motor Vehicle Reconditioner, Rebuilder, and Wholesaler.

1. LEGAL NAME OF BUSINESS, DBA NAME, MAILING ADDRESS, CITY, STATE, ZIP, STATE SALES TAX NUMBER, FEDERAL EMPLOYER ID NUMBER, DATE BUSINESS BEGAN

2. Form of Organization: Individual, Partnership, Limited Liability Company, Corporation. Provide the information below for owner, ALL partners, members, officers and directors.

3. List exact permanent location(s): ADDRESS, CITY, ZIP, TELEPHONE (VERIFIABLE LANDLINE) NO CELLULAR PHONES

4. Number of Motor Vehicles Sold January 1, 2008 through December 31, 2008: RETAIL, WHOLESALE, New Vehicles, Used Vehicles. Includes 'For Office Use Only' section with Approved By, Bond Number, W/I Date, Entered By, Date.

NOTE: Failure to provide all information will result in a delay of processing the application.

5. The questions in part 5 must be answered by **ALL APPLICANTS**. Note: Only retailers are required to answer question (5)(e)(5).

- |   | Yes                      | No                       |
|---|--------------------------|--------------------------|
| a. Have you ever knowingly dealt in stolen vehicles or accessories? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Have you disconnected, turned back, or reset the odometer of any motor vehicle in violation of state or federal law since September 1, 1991? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| c. Have you skipped title assignments or accepted open assignments of title or bill of sale during the last year? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| d. Section 40-12-395, Code of Alabama 1975, states in part: "Only one licensed dealer shall operate at the same place of business; provided, that a motor vehicle reconitioner or motor vehicle rebuilder may operate on the premises for which he is licensed to operate as a motor vehicle dealer." Do you acknowledge awareness of this statement? ..... | <input type="checkbox"/> | <input type="checkbox"/> |
| e. Regarding the location(s) listed in part 3 of this application:  |                          |                          |
| 1) Is/Are the location(s) permanent and owned or leased by the sole proprietor, a partner, LLC member or the corporation as listed on the application? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| 2) Is there sufficient space to adequately display/store on each location one or more vehicles offered for sale? (Space must be exclusive.) .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| 3) Does/Do the location(s) have a suitable place from which a motor vehicle dealer can, in good faith, carry on the business of a motor vehicle dealer, keep and maintain books and records necessary to conduct such a business? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| 4) Does/Do the location(s) listed in part 3 have operable landline telephone(s) listed with the telephone company under the name of the licensed business? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| 5) Does/Do the location(s) listed in part 3 each have the required sign designating that the location is a place of business of a motor vehicle dealer? (Retailers only) .....  | <input type="checkbox"/> | <input type="checkbox"/> |

The information provided in this application will be cross-checked for compliance with Alabama Sales Tax and Income Tax Laws.

Under penalties of perjury, the undersigned hereby certify that all information contained in this application for a regulatory license is true and correct in every respect; furthermore, that the undersigned is/are aware of all requirements provided by Sections 40-12-390 through 40-12-400, Code of Alabama 1975, and is/are aware of all applicable penalties for code violations.

**Retailers only**  
**Attach Photo(s) Here**  
 Photo(s) must show Sign and Location  
 labeled for each separate location.  
 A new photo is required each license year.  
 Digital photos are only acceptable on photographic paper.

Name of Business \_\_\_\_\_  
 NOTE: Multiple Member Limited Liability Company must complete authorization form on page 12 if only one member signs this form.

Signature of Owner, Partner, Member, Officer or Director \_\_\_\_\_  
 (Type or Print Name) \_\_\_\_\_

Signature of Partner, Member, Officer or Director \_\_\_\_\_  
 (Type or Print Name) \_\_\_\_\_

Signature of Partner, Member, Officer or Director \_\_\_\_\_  
 (Type or Print Name) \_\_\_\_\_

Signature of Partner, Member, Officer or Director \_\_\_\_\_  
 (Type or Print Name) \_\_\_\_\_

**Author:**

**Statutory Authority:** Code of Ala. 1975, §§40-2A-7(a)(5); Title 40, Chapter 30.

**History:** New Form (Application for Act 539 Regulatory License LIC: 539-3 Rev 07/09): Filed November 17, 2009; effective December 22, 2009.

APPENDIX A - CHAPTER 810-8-5

ATTACHMENT - 810-8-5-.17



Reset

ALABAMA DEPARTMENT OF REVENUE  
BUSINESS & LICENSE TAX DIVISION  
SEVERANCE & LICENSE SECTION

UC 7562 8/11  
Bond Number

Bond of Automotive Dismantler and Parts Recycler

KNOW ALL MEN BY THESE PRESENTS, that we \_\_\_\_\_

City \_\_\_\_\_, County \_\_\_\_\_, State \_\_\_\_\_

As Principal (hereinafter called Principal), and \_\_\_\_\_

of \_\_\_\_\_, as

Surety (hereinafter called Surety), are held and firmly bound unto the State of Alabama in the sum of Ten Thousand Dollars (\$10,000.00), for payment of which, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

The condition of the foregoing obligation is such that:

WHEREAS, the Principal has been duly licensed as an "automotive dismantler and parts recycler" by the Alabama Department of Revenue as provided for in the Sections 40-12-410 through 40-12-425, Code of Alabama 1975, subject to the execution of this bond.

NOW THEREFORE, in consideration of the Premise:

If the aforesaid Principal shall well and faithfully perform the duties as such "automotive dismantler and parts recycler," then this obligation shall be null and void; otherwise, the same shall remain in full force and effect.

It is expressly understood and agreed that neither this obligation nor any liability thereunder shall be released or the validity thereof affected by reason of the adoption by the State of Alabama of any Act in lieu of or amendatory to said laws, but this obligation shall continue in full force and effect with respect to said statutes or any amendments thereto or changes therein which may be adopted before the cancellation of this obligation as herein provided, or before the actual cancellation and surrender of this obligation by the State of Alabama pursuant to any law now existing or hereafter adopted relating thereto.

The Surety on this bond may be released and discharged from any and all liability to the State of Alabama accruing on this bond after the expiration of sixty (60) days from the date upon which said Surety shall have filed with the Alabama Department of Revenue written request to be released and discharged; provided, however, such request shall not operate to relieve, release, or discharge such Surety from any liability already accrued or which shall accrue before the expiration of said sixty-day (60) period.

IN WITNESS WHEREOF, we hereunto set our names and seals on this date \_\_\_\_\_

\_\_\_\_\_  
NAME OF SURETY COMPANY      SIGNATURE OF PRINCIPAL, PARTNER MEMBER OR CORP./PARTY OFFICER      (TYPE OR PRINT NAME)

By: \_\_\_\_\_  
SIGNATURE OF AGENT OF SURETY COMPANY      SIGNATURE OF PARTNER MEMBER      (TYPE OR PRINT NAME)

Telephone (\_\_\_\_\_) \_\_\_\_\_  
SIGNATURE OF PARTNER MEMBER      (TYPE OR PRINT NAME)

\_\_\_\_\_  
CAMELSEAL OF REVENUE      SIGNATURE OF PARTNER MEMBER      (TYPE OR PRINT NAME)

\* ALL NAMES MUST BE TYPED UNDER SIGNATURES \*  
(See Back For Special Instructions)

## Bond Form Instructions

The surety company must complete all bonds on the form prescribed by the Alabama Department of Revenue.

### Completion of The Bond:

- ◆ The bond must include the true legal name of the party for whom the bond is being sought, as follows:
  - If an individual ownership, the applicant's name as well as the business name;  
*Example: John Doe, DBA ABC Auto Sales*
  - If a partnership, the names of all partners and the name of the partnership;  
*Example: John Doe & Jane Doe, DBA ABC Auto Sales*
  - If a limited liability company, the true legal name of company;  
*Example: AAA Auto Sales LLC*
  - If a corporation, the complete corporate name.
- ◆ The bond must also show the following:
  - The city, county and state in which the business is located;
  - The name and address of the surety company providing the coverage;
  - The issue date of the bond;
  - The telephone number of the agent.

### Signature Section Requirements:

- ◆ All signatures must be originals.
- ◆ The bond must include the signatures of the following:
  - The signature of the surety company agent;
  - The signature of the applicant (individual owner), all partners, all LLC members, or a corporate officer. In some cases one member may be able to sign for a Limited Liability Company. See the enclosed authorization form for details.
- ◆ Type or print the name of the person(s) signing the form.

### Power of Attorney Requirements:

- ◆ An original power of attorney form indicating that the agent is authorized to execute the bond on behalf of the surety company must accompany the bond.
- ◆ The power of attorney must have the same date as that on the bond.

*All required documents should be mailed to:*

Alabama Department of Revenue  
Business & License Tax Division  
Severance & License Section  
PO Box 327530  
Montgomery, AL 36132-7530  
*Telephone: (334) 353-7827*

Any bond or power of attorney received separately from application will be returned to sender.

The bond form must be an original with original signatures. No facsimiles, photocopies, letters or phone calls are acceptable substitutes for the original bond.

**Author:**

**Statutory Authority:** Code of Ala. 1975, §§40-2A-7(a)(5),  
40-12-398.

**History: New Form:** Filed July 26, 2013; effective  
August 30, 2013.

APPENDIX B - CHAPTER 810-8-5

ATTACHMENT 810-8-5-.07

Appendix B

ALABAMA DEPARTMENT OF REVENUE  
SALES, USE & BUSINESS TAX DIVISION

Li: 539-4B Rev 7/02  
BOND NUMBER

Bond of New Motor Vehicle Dealer

KNOW ALL MEN BY THESE PRESENTS, that we \_\_\_\_\_

City \_\_\_\_\_, County \_\_\_\_\_, State \_\_\_\_\_

As Principal (hereinafter called Principal), and \_\_\_\_\_  
NAME OF SURETY

of \_\_\_\_\_, as  
Surety (hereafter call Surety), are held and firmly bound unto the State of Alabama in the sum of Twenty Five Thousand Dollars (\$25,000.00), for the payment of which, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

The conditions of the foregoing obligations is such that:

WHEREAS, the Principal has been duly appointed a "New Motor Vehicle Dealer," under the provisions of Title 40, Chapter 12, Article 8, Code of Alabama 1975, such Principal shall comply with the conditions of any contract made by such dealer in connection with the sale or exchange of any motor vehicle and shall not violate any of the provisions of law relating to the conduct of the business for which he is licensed.

It is expressly understood and agreed that neither this obligation nor any liability thereunder shall be released or the validity thereof effected by reason of the adoption by the State of Alabama of any Act in lieu of or amendatory to said laws, but this obligation shall continue in full force and effect with respect to said statutes or any amendments thereto or changes therein which may be adopted before the cancellation of this obligation as herein provided, or before the actual cancellation and surrender of this obligation by the State of Alabama pursuant to any law now existing or hereafter adopted relating thereto.

It is further expressly understood and agreed that the liability of both the Principal and the Surety on this bond shall be for the license period of \_\_\_\_\_ through September 30, \_\_\_\_\_ and that a new bond or a proper continuation certificate must be delivered to the Alabama Commissioner of Revenue AT THE BEGINNING OF THE LICENSE YEAR, WHICH IS OCTOBER 1, AND EXPIRING ON SEPTEMBER 30 OF THE SAME LICENSE YEAR; provided, however, that the aggregate liability of the Surety in any one license year shall in no event exceed the sum of such bond.

The Surety on this bond may be released and discharged from any and all liability to the State of Alabama accruing on this bond after the expiration of sixty (60) days from the date upon which said Surety shall have filed with the Alabama Department of Revenue written request to be released and discharged; provided, however, such request shall not operate to relieve, release or discharge such Surety from any liability already accrued or which shall accrue before the expiration of said sixty (60) day period.

In WITNESS WHEREOF, we hereunto set our names and seals on this the \_\_\_\_\_ day of \_\_\_\_\_,

\_\_\_\_\_  
SURETY

\_\_\_\_\_  
SIGNATURE OF PRINCIPAL, PARTNER, CORPORATE OFFICER

By: \_\_\_\_\_  
SIGNATURE OF AGENT OF SURETY COMPANY

\_\_\_\_\_  
SIGNATURE OF PARTNER

By: \_\_\_\_\_  
SIGNATURE OF ALABAMA RESIDENT AGENT

\_\_\_\_\_  
SIGNATURE OF PARTNER

Telephone (\_\_\_\_\_) \_\_\_\_\_

\_\_\_\_\_  
COMMISSIONER OF REVENUE

ALL NAMES MUST BE TYPED UNDER SIGNATURES

Author:

**Statutory Authority:** Code of Ala. 1975, §§40-2A-7(a)(5),  
40-12-398.

**History:** New Form (Lic: 539-4B Rev 7/02): Filed  
January 17, 2003; effective February 21, 2003.

## APPENDIX B - CHAPTER 810-8-5

## ATTACHMENT 810-8-5-.10

SECTOR	NAICS TITLE	SUGGESTED BUSINESS LICENSE CODE GROUPING BY SAMPLE TOPIC OR CATEGORY
111	Crop Production	Agriculture, farming, nursery, fruit, growers
112	Animal Production	Animal, dairy, cattle, ranching, sheep, chicken
113	Forestry and Logging	Forestry, logging, timber
114	Fishing, Hunting, and Trapping	Fishing, hunting, supplies and equipment
115	Support for Agriculture and Forestry	Cotton ginning, farm management, post-harvest activities
211	Oil and Gas Extraction	Oil, gas, extraction, natural gas, crude
212	Mining (except Oil and Gas)	Mining activities
213	Support for Mining Activities	Support activities for oil and gas wells
221	Utilities	Utilities, gas, electric, water, sewage, steam
236	Building, Developing and General Contracting	Construction, building, general, residential, subdivisions
237	Heavy Construction	Construction, heavy construction, highway, bridge, street
238	Special Trade Contractors	Construction, all special trades
311	Food Manufacturing	Food manufacturing, animal, grain, fruit, dairy, meat, seafood
312	Beverage and Tobacco Products Manufacturing	Beverage manufacturing, soft drink, bottled water, breweries, ice
313	Textile Mills	Mills, textile, fabric, yarn, carpet, canvas, rope, twine
314	Textile Product Mills	Other mill operations not covered in 313

315	Apparel Manufacturing	Apparel manufacturing, hosiery, men, women, children, lingerie
316	Leather and Allied Product Manufacturing	Leather manufacturing, shoes, luggage, handbag, related products
321	Wood Products Manufacturing	Wood products, sawmills, wood, preservation, veneer, trusses, millwork
322	Paper Manufacturing	Paper manufacturing, pulp, paper, converted products
323	Printing and Related Support Activities	Printing, lithographic, screen, quick, digital, books, handbills
324	Petroleum and Coal Products Manufacturing	Petroleum manufacturing, asphalt, roofing, paving, grease
325	Chemical Manufacturing	Chemical manufacturing, wood, fertilizer, pesticide, paint, soap, other
326	Plastics and Rubber Product Manufacturing	Plastic and tire manufacture, pipe, hoses, belts, bottle, sheet, foam
327	Nonmetallic Mineral Product Manufacturing	Nonmetallic manufacturing, clay, glass, cement, lime, gypsum, other
331	Primary Metal Manufacturing	Metal manufacturing, iron, steel, aluminum, copper, other nonferrous
332	Fabricated Metal Product Manufacturing	Fabricated metal, cutlery, structural, ornamental, wire, machine shops
333	Machinery Manufacturing	Machinery manufacturing, farm, HVAC, office, industrial, engine, other
334	Computer and Electronic Product Manufacturing	Computers and electronics, peripherals, audio, video, circuit boards
335	Electrical Equipment Appliance Component Manufacturing	Electrical equipment, lighting, small appliance, battery, other
336	Transportation Equipment Manufacturing	Transportation manufacturing, auto, truck, trailer, motor home, ship, boat, motorcycle
337	Furniture and Related Products Manufacturing	Furniture manufacturing, cabinets, office furniture, beds, kitchen
339	Misc. Manufacturing	Misc. manufacturing, medical, dental, jewelry, sporting goods, toys, signs, all other

421	Wholesale Trade, Durable Goods	Wholesale trade-durable, motor vehicle, home furniture, machinery, equipment
422	Wholesale Trade, Non-Durable Goods	Wholesale trade-nondurable, paper, apparel, grocery, dairy, farm, beverages
441	Motor Vehicle and Parts Dealer	Motor vehicles, automobiles, motorcycles, boats, parts, accessories
442	Furniture and Home Furnishing Stores	Furniture stores, home, floor, furnishings, window, special products
443	Electronics and Appliance Stores	Electronic and appliance store, household, radio, television, computer
444	Building Material and Gardening Equipment Dealers	Building materials, hardware, paint, home center, wallpaper
445	Food and Beverage Stores	Food and beverage stores, grocery, convenience, markets, liquor, beer
446	Health and Personal Care Stores	Health and personal care stores, drug, cosmetic, optical, health food
447	Gasoline Stations	Gasoline stations, filling stations
448	Clothing and Accessories Stores	Clothing stores, men's women's, children, infants, shoe, jewelry, luggage
451	Sporting Goods, Hobby, Book, Music	Sporting goods stores, hobby, toy, fish, gun, music, books
452	General Merchandise	General merchandise stores, department, warehouse clubs, superstores
453	Miscellaneous Store Retailers	Misc. store retailers, florist, gift, novelty, used, pets, art, tobacco
454	Nonstore Retailers	Nonstore retailers, electronic shopping, mail order, vending, direct selling
481	Air Transportation	Air transportation, airline tickets, shipping, freight, charters
482	Rail Transportation	Rail transportation, ticket offices, short line, freight
483	Water Transportation	Water transportation, coastal, freight, inland, passenger, forwarders

484	Truck Transportation	Truck transportation, terminal, local, long-distance, freight
485	Transit and Ground Passenger Transportation	Ground transportation, bus, taxi, limousine, charter, buggy
487	Scenic and Sightseeing Transportation	Scenic and sightseeing, land, water, air, special
492	Couriers and Messengers	Couriers and messengers, services, delivery
493	Warehousing and Storage	Warehouse and storage, household, refrigerated, distribution, special
511	Publishing Industries (except Internet)	Publishing, newspapers, periodicals, databases, software
512	Motion Picture and Sound Recording Industry	Motion pictures and videos, theatres, recording, studios, drive-in
515	Broadcasting (except Internet)	Broadcasting and radio, TV
516	Internet Publishing and Broadcasting	Publications or broadcasting for Internet only
517	Telecommunications	Providing, access to facilities for voice, data, text, sound and/or video
519	Information Services and Data Processing	Providing, storing, processing, and providing access to information
522	Credit Intermediation and Related Activities	Credit companies and activities related to credit and mediation of credit
523	Securities, Commodity, Other Financial Products	Insurance companies, life, health, accident, and all other
524	Insurance Carriers and Related Activities	Insurance companies, fire, marine, and fire casualty
525	Funds, Trusts, Other Financial Vehicles	Funds, plans, and/or programs organized to pool securities or other assets for others, other than the Alabama Municipal Funding Corporation
531	Real Estate	Real estate, offices, agents, brokers, developers
532	Rental and Leasing Services	Rental and leasing, auto, truck, equipment, tangible property

541	Professions, Scientific, Technical Services	Attorney, doctor, dentist, architect, engineer, vet, other professions
551	Management of Companies and Enterprises	Management of companies and enterprises, offices, regional, corporate
561	Administrative and Support Services	Administrative and support services, office, employment, answering, travel
562	Waste Management and Remediation Services	Waste management, services, landfill, septic tank, companies, trucks
611	Educational Services	Educational services, business, secretarial, computer, technical, sports, other
621	Ambulatory Health Care Services	Health care services, mental, outpatient, HMO, diagnostic, blood, dialysis, other
622	Hospitals	Hospitals, surgical, substance abuse, psychiatric, specialty
623	Nursing and Residential Care Facilities	Nursing and residential care facilities, elderly, day care, assisted living
624	Social Assistance	Social assistance, child, shelters, vocational, emergency
711	Performing Arts, Spectator Sports	Arts and sports, dance, musical, spectator, teams, tracks, promoters, agents
712	Museums, Historical Sites and Similar	Museums, historical sites, zoos, botanical gardens, parks, special sites
713	Amusement, Gambling and Related	Amusement and recreation, gambling, theme, arcade, golf, marinas, fitness
721	Accommodations	Accommodations, hotel, travel, bed-and-breakfast, rooming houses, motel
722	Food Services and Drinking Places	Food service and drinking places, restaurant, caterers, bar, lounge, club
811	Repair and Maintenance	Repair and maintenance, automotive, electronic, commercial, residential, other
812	Personal and Laundry Services	Personal care services, hair, nail, skin, barber, beauty, diet, tanning, funerals
910	Category for:	Vending machines, pool tables, amusement devices, etc.

920	Category for employees:	Employees: as in number of employees used in license calculation
930	Category for square feet:	Square feet used for warehousing, large buildings, and other types
923	Administration of Human Resource Programs	General Category
924	Administration of Environmental Quality Programs	General Category
925	Administration of Housing, Urban, Comm.	General Category
926	Administration of Economic Programs	General Category
927	Space Research and Technology	General Category
928	National Security and International Affairs	General Category
999	Unclassified Establishments	General Category

**Author:**

**Statutory Authority:** Code of Ala. 1975, §40-2A-7(a)(5), Act 2006-586.

**History:** **New Form (List of NAICS Sectors & Titles):** Filed October 26, 2006; effective November 30, 2006.

APPENDIX B - CHAPTER 810-8-5

ATTACHMENT 810-8-5-.17



ALABAMA DEPARTMENT OF REVENUE  
BUSINESS & LICENSE TAX DIVISION  
SEVERANCE & LICENSE SECTION

AUTH-1  
8/11

P.O. Box 327350 • Montgomery, AL 36132-7550 • (334) 353-7827

Limited Liability Company Authorization Form  
for  
Automotive Dismantler and Parts Recycler

I am signing as a member of the LLC for which a bond and/or application for an automotive dismantler and parts recycler is submitted. I hereby certify, under penalty of perjury, as follows: (1) I am vested with full authority to execute this Bond and/or Application on behalf of the LLC; and (2) the Articles of Organization or any operating agreements of the LLC DO NOT provide that management is vested in a manager or managers.

\_\_\_\_\_, LLC  
An Alabama Limited Liability Company

By: \_\_\_\_\_  
Its Member

I am signing as manager of the LLC for which a bond and/or application for an automotive dismantler and parts recycler is submitted. I hereby certify under penalty of perjury, as follows: (1) I am vested with full authority to execute this Bond and/or Application on behalf of the LLC; and (2) the Articles of Organization or any operating agreements specifically vest management authority in me.

\_\_\_\_\_, LLC  
An Alabama Limited Liability Company

By: \_\_\_\_\_  
Its Manager

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that \_\_\_\_\_ whose name as \_\_\_\_\_ of \_\_\_\_\_ LLC, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, (s)he, as such member or manager, and with full authority, executed the same voluntarily on the day the same bears date for and as the act of said Limited Liability Company.

Given under my hand and seal this \_\_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
NOTARY PUBLIC

(Instructions on Back)

## Authorization Form Instructions

This form should only be completed for a multiple member limited liability company when less than all members of the LLC are signing the application. Also, the person completing the form must be a vested member or manager that is authorized to sign on behalf of the company.

The following information must be included on the authorization form.

- The true legal name of the limited liability company.
- The signature of the member or manager that is authorized to execute this form.
- The signature and seal of a Notary Public. The individual notarizing the signature cannot be one of the individuals required to be listed on the application.

**Author:**

**Statutory Authority:** Code of Ala. 1975, §§40-2A-7(a)(5), 40-12-398.

**History: New Form:** Filed July 26, 2013; effective August 30, 2013.

ALABAMA DEPARTMENT OF REVENUE  
ADMINISTRATIVE CODE

CHAPTER 810-8-6  
OIL AND GAS SEVERANCE TAX

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Appendix A	

810-8-6-.01 Determining Gross Value Or Market Price Of Oil Or Gas At The Point Of Production.

(1) PURPOSE: Oil and gas severed from the soil or waters or from beneath the soil or waters of Alabama are taxed on their gross value at the point of production. This regulation establishes a regime for determining that value in non-market transactions. §40-20-2(a)(1), Code of Ala. 1975.

(2) DEFINITIONS: The following terms shall have the meaning ascribed to them for purposes of this regulation:

(a) Allowed costs. The costs incurred to bring the oil or gas to the point of delivery or first market transaction including, but not limited to, gathering (including gathering prior to separation), transporting, dehydrating, compressing, treating, conditioning, cleansing, stabilizing, processing and delivering. Allowed costs do not include wellhead separation of hydrocarbons, nor any other production costs.

(b) Production costs. All costs incurred for acquisition, exploration, development, maintenance, and abandonment of a well.

(c) Market transaction. An agreement or contract for the sale, treating, conditioning, cleansing, processing, transporting, and/or compressing of oil or gas that has been arrived at between a producer or his agent and a person or entity with opposing economic interests. Transactions between the parent company and its subsidiaries; subsidiaries of a common parent; a company and its principal owners, management, or members of their immediate families or affiliated companies are not market transactions unless the net proceeds received by the producer are equal to or exceed the value determined by comparison to publicly available indices or information published and used for a particular Alabama area or other publicly available indices or information, adjusted by location differential as appropriate, in which case the transaction in question shall be deemed a market transaction.

(d) Non-market transaction. A transaction between a producer or his agent and another person or entity which is not a market transaction as defined in these regulations.

(e) Gross value. The sale price or market value at the point of production.

(f) Market value. The proceeds received by the producer for oil or gas at the point of production under a market transaction, or the sale price for cash received by a producer for like quality oil or gas at the point of production under a market transaction.

(g) Point of production. The mouth of the well as defined in (2) (h).

(h) Mouth of the well. The point of production where the well production is severed from the soil or the waters, or from beneath the soil or the waters. Such point includes the wellhead separator or its functional equivalent, heater/treater and/or storage tanks. Such point does not include a wellhead separator which is used exclusively for separating water from a coalbed methane gas stream.

(i) Plant. A facility for treating, conditioning, cleansing or processing hydrocarbons, to extract, stabilize or fractionate well production into its separate components or gaseous sulphur compounds or sulphur from natural gas.

(j) Facility. An installation serving one or more wells, providing one or more functions such as extraction, stabilization, fractionation, compression, dehydration, treating, conditioning, cleansing, gathering, transportation or delivery.

- (k) Investment basis. The capitalized cost on which depreciation is allowed. A return on this investment is also permitted after deducting the allowable depreciation.
- (l) Condensate. The liquid hydrocarbons recovered or recoverable at the surface which result from condensation.
- (m) Natural gas liquids (NGLs). Liquefiable hydrocarbon components of natural gas and natural gasoline which can be extracted and are usually saved in liquid form. Such components include: Ethane, propane, iso and normal butanes, and natural gasoline sometimes referred to as pentane and heavier products.
- (n) Treating, conditioning, cleansing, or processing. The removal of hydrocarbons and nonhydrocarbons from a well stream.
- (o) Workback price. The price from which allowed costs are deducted in order to establish gross value.
- (p) Affiliated companies. Companies owning or controlling more than 40% of a given company, or being owned or controlled more than 40% by another company.
- (3) DETERMINING GROSS VALUE IN A MARKET TRANSACTION. The gross value of oil or gas shall be the proceeds received by the producer for the oil or gas at the point of production under terms of a market transaction.
- (4) DETERMINING GROSS VALUE OR MARKET PRICE IN A NON-MARKET TRANSACTION. The gross value of oil or gas shall be determined in a non-market transaction in the following manner:
- (a) By establishing the net proceeds received by a producer at the point of production by the use of contracts as provided in paragraph (5); however, if gross value is not established by the use of contracts as provided in paragraph 5, then;
- (b) By utilizing the workback method, as provided in paragraph (6).
- (5) THE USE OF CONTRACTS TO ESTABLISH GROSS VALUE IN NON-MARKET TRANSACTIONS. In order to establish gross value, for purposes of paragraph (4) of this regulation, a taxpayer shall offer contract(s) at the time of audit by the Department.
- (a) The requirements for contract(s) involving gas not processed in the same plant as the gas in question are:

1. Involving oil or gas that is severed from beneath the soil or waters of the State of Alabama, and having a hydrogen sulfide content that is within seven percentage points of the hydrogen sulfide content of the oil or gas to which it is being compared;

2. Involving a market transaction; and

3. Involving a volume which is at least fifteen percent (15%) of the volume of gas being valued.

(b) The requirements for contract(s) involving gas processed in the same plant as the gas in question are:

1. Involving a market transaction; and

2. Involving in the aggregate at least ten percent (10%) of the total volume of gas processed in the plant.

(c) When offering a contract for purposes of establishing market value, the taxpayer shall acknowledge that to the best of its belief the contract is complete, including any and all amendments.

(d) The taxpayer shall provide a statement at the time of submission of a contract as to why and in what manner it is representative of market value, or in the case of past periods covered by an audit, the relevant time period.

(e) The Taxpayer may submit a contract which is not directly applicable in the determination of market value but which could be applicable with modifications or adjustments. Such submissions shall be accompanied by an explanation of the proposed modification to the tendered contract together with a full explanation of why such modifications would be appropriate for the determination of market value.

(6) USE OF THE WORKBACK METHOD TO ESTABLISH GROSS VALUE IN NON-MARKET TRANSACTIONS.

(a) The initial step in utilizing the workback method will be to establish the investment basis as defined at 2(k) of this regulation.

1. The investment basis shall be limited to the costs actually incurred by the taxpayer in acquiring or constructing a facility.

2. All claims for the inclusion of an item of cost in the investment basis shall be supported by verifiable data such as state or federal tax returns, ad valorem tax filings, reports to the Securities and Exchange Commission, audited financial statements or reports to stock-holders, authority for expenditures (AFE) and other similar data.

3. All claimed investment items shall be broken down to the fullest extent possible as to function within a facility.

4. A facility or a portion of a facility which is used to convert hydrogen sulfide gas to elemental sulphur will not be included in the investment basis for purposes of the workback method. Additionally, a facility or a portion of a facility which is used to produce or extract carbon dioxide or nitrogen for sale or use or to handle and dispose of produced water, whether salt water or otherwise, will not be included in the investment basis for purposes of the workback method.

5. The investment basis of a facility shall be reduced each year by an amount equal to the depreciation allowable that year and increased by the amount of investment added that year.

6. The investment basis shall be reduced each year by an amount equal to the undepreciated basis of any assets or portions thereof that are retired from service. No depreciation or return shall be allowed on retired assets after retirement from service.

7. The investment basis shall be reduced by any investment tax credits or similar investment based allowances received by the taxpayer.

(b) ALLOWED COSTS. The allowed costs to be deducted from the workback price in arriving at gross value or market price are:

1. DEPRECIATION

(i) The anticipated useful life of the facility shall be determined and the net salvage value estimated. If useful life cannot be determined, then 20 years shall be utilized.

(ii) Each year the Taxpayer shall take as depreciation an amount equal to the difference between the investment basis and net salvage value divided by the number of years of the anticipated life of the facility. Costs added to the investment basis after the first year's depreciation shall be amortized over the then remaining life of the facility.

(iii) A taxpayer may calculate depreciation in the same manner as depreciation is calculated for the facility in the taxpayer's financial statements prepared in accordance with Generally Accepted Accounting Principles.

(iv) In the event of a sale or other transfer, the acquiring entity, if an affiliate, shall succeed to the then undepreciated investment basis of the transferring taxpayer.

2. RETURN ON INVESTMENT. Each year the taxpayer shall be allowed a return of eleven percent on its average investment basis as depreciated. Due to a final and unappealed court order, entered in favor of UNOCAL and against the State of Alabama by the Circuit Court of Mobile County, the return on investment provision of this regulation shall not apply to UNOCAL's Chunchula Gas Plant. The return for the Chunchula plant shall be 24.65%, as stated in the above referenced court order.

3. LABOR EXPENSE

(i) All direct labor costs of operation and maintenance personnel assigned on site at the facility through the first level supervisor, including contract services, shall be allowed. The actual cost of engineering and support personnel located on or off the site shall be allowed to the extent such costs can be documented.

(ii) Indirect labor burden, including FICA, vacation, retirement, medical, thrift and savings plans and other similar indirect costs shall be allowed.

(iii) Indirect labor burden shall be limited to 50% of allowed direct labor costs.

4. MATERIALS, SUPPLIES AND EQUIPMENT RENTALS. Materials, supplies and equipment rentals necessary for operations and maintenance of the facility shall be allowed.

5. FUEL AND POWER COSTS

(i) The cost of fuel and power used to operate the facility shall be allowed.

(ii) For purchased fuel and power, the allowable cost shall be the amount actually paid to a third party.

(iii) If the source of the fuel used in a facility is the hydrocarbons derived from the facility, the fuel is taxable at gross value as determined herein. A fuel cost deduction of \$.68

per MCF or actual cost shall be allowable, up to said gross value, for the cost of producing the fuel.

6. AD VALOREM TAXES. A valorem taxes on the facility shall be allowed.

7. ADMINISTRATIVE AND OVERHEAD COSTS. Administrative and overhead costs related to the supervision of facility operations, expense accounting, secretarial expense and the expense of marketing a product, shall be limited to ten percent of allowed depreciation, direct labor, contract services, materials, supplies, equipment rentals, fuel and power costs.

8. INSURANCE. The taxpayer may deduct the expense of insurance actually carried with respect to the facility, including:

(i) Workers compensation coverage for persons employed in the activities represented by the investment basis.

(ii) Public liability.

(iii) Property damage.

(iv) No deduction shall be allowed for self-insured taxpayers.

9. TRANSPORTATION CHARGES. Transportation charges actually paid by a producer to a third party for delivery of oil or gas to the point of delivery or first market transaction shall be allowed.

10. SOUR GAS COSTS

(i) If the raw gas processed through a facility contains hydrogen sulfide gas, investment and operational costs attributable to the processing of such gas to recover sulfur must be allocated to the hydrogen sulfide.

(ii) If the market value of the recovered sulfur is less than these costs, the excess of said costs over the sulfur value, shall be included in the allowable hydrocarbon costs.

(c) ESTABLISHING THE WORKBACK PRICE. For purposes of establishing a price from which to workback to the point of production, the following shall be applied:

1. The total price received for the oil or gas in the first market transaction, without any deductions, or;

2. In the event of a non-market transaction, a taxpayer shall rely upon certain indexes of value commonly employed for the determination of the price of certain hydrocarbon products. These indexes include, but are not limited to the quotations of the Oil Price Information Service (OPIS) for products sold at Mt. Belvieu, Texas and any index published by industry publications showing the price offered on certain pipelines for gas delivered to their main line facilities. These pipelines include, but are not limited to, Florida Gas Transmission Company, Zone 3; Koch Gateway Pipeline Company, Louisiana; and Transcontinental Gas Pipeline Corporation, Mississippi, Alabama, as published in Inside F.E.R.C.'s Gas Market Report. For gas delivered to a particular pipeline for which an index is published, a taxpayer may rely on said index price. Alternatively, a taxpayer may rely on the average of the prices published for the three pipelines specified above, or any one of these three prices, if consistently applied for a consecutive twelve-month period. Reliance on any such pricing information shall include the following, as appropriate, in each such election:

(i) For OPIS, the location differential between the point of delivery and Mt. Belvieu and how such differential was determined.

(ii) For any pipeline index the amount higher or lower than the index and why such adjustment is appropriate, such as any gathering or transportation charge.

3. In the event of a non-market transaction involving crude oil or condensate, the taxpayer shall provide a representation as to why the prices used are appropriate for value. Such representation shall take into consideration publicly available pricing information for comparable products.

**Author:** Paul Bozeman

**Statutory Authority:** Code of Ala. 1975, 40-20-4(d), 9-17-26(d), 40-2A-7(a) (5).

**History: New Rule:** Filed February 25, 1997; effective April 1, 1997.

**810-8-6-.02 Procedures For Reporting And Remitting Oil And Gas Production And Privilege Taxes For Offshore Production.**

(1) Act No. 2009-147 amended the oil and gas tax statutes and became effective May 1, 2009. This Act changed the method by which production and privilege taxes are calculated for offshore wells producing at depths greater than 8,000 feet. In

accordance with this Act, offshore production and privilege taxes are to be calculated and remitted as follows:

(a) Offshore production occurring at depths greater than 8,000 feet shall be taxed based on a percentage of gross proceeds from the sale of oil or natural gas.

(b) The production tax rate as levied in Code of Ala. 1975, Section 9-17-25, for production from these wells shall be 1.66% of the gross proceeds attributable to the offshore production.

(c) The privilege tax rate as levied in Code of Ala. 1975, Section 40-20-2, for production from these wells shall be 3.65% of the gross proceeds attributable to the offshore production.

(2) Offshore wells producing at depths of 8,000 feet or less will continue to be taxed at the production tax rates set forth in Section 9-17-25, Code of Ala. 1975, and the privilege tax rates set forth in Section 40-20-2, Code of Ala. 1975.

(3) All offshore oil & gas producers are required to file a return each month on forms prescribed by the Commissioner. A return must be filed with the department even if no tax is due. The return is due on or before the fifteenth (15<sup>th</sup>) day of each month for the second preceding month's production. The return must be signed by an authorized officer under penalty of perjury that the information contained in the return is true and correct.

**Author:** Loretta Nelson, Tobacco, Severance and License Tax Section

**Statutory Authority:** Code of Ala. 1975, §§40-2A-7(a)(5), 40-20-4(d),

**History: New Rule:** Filed January 28, 2010, effective March 4 2010.

**810-8-6-.03 Procedures For Reporting And Remitting Oil And Gas Privilege Taxes For Wells Located Within The Corporate Limits Or Police Jurisdiction Of A Municipality.**

(1) Section 40-20-8, Code of Ala. 1975, states the following regarding oil and gas privilege taxes: "Ten percent of all taxes herein levied and collected on oil and gas produced from oil or gas wells located within the corporate limits or the police jurisdiction of any municipality shall be allocated and distributed to each such municipality; except that all wells within the corporate limits or police jurisdiction of any

municipality where taxes are levied and collected at a rate of four percent, 10 percent of all said four percent taxes shall be distributed to each such municipality."

(2) Oil and gas producers reporting on wells located within the corporate limits or police jurisdiction of a municipality must identify the privilege tax paid on such production.

(3) The county and municipality of severance must be reported on the monthly return to be filed on forms prescribed by the Commissioner. The return is due on or before the fifteenth (15<sup>th</sup>) day of each month for the second preceding month's production. The return must be signed by an authorized officer under penalty of perjury that the information contained in the return is true and correct.

**Author:** Loretta Nelson, Tobacco, Severance and License Tax Section

**Statutory Authority:** Code of Ala. 1975, §§40-2A-7(a)(5), 40-20-4(d),

**History: New Rule:** Filed January 28, 2010, effective March 4 2010.

**810-8-6-.04 Electronic Filing And Payment Of Oil And Gas Production And Privilege Taxes.**

(1) Code of Ala. 1975, Sections 40-20-4 and 9-17-26, requires every person producing or in charge of producing oil and gas to report taxes on a form prescribed by the Department of Revenue and to remit the amount of taxes required to be paid by the 15<sup>th</sup> day of the second calendar month following the month of production.

(2) Under the authority of Chapter 30 of Title 40, Code of Ala. 1975, the Department will offer a paperless filing and payment system for the purpose of providing taxpayers with the capability to electronically file and pay Oil and Gas production and privilege taxes from a personal computer. A complete return filed via the Internet will consist of data transmitted electronically and shall contain the same information as the corresponding return which is being filed entirely on paper.

(3) The oil and gas producer and purchaser tax returns will be considered timely filed when due if filed electronically by the last day before the return is considered delinquent. The amount due with the return will be considered timely paid if paid

in accordance with the rules of the electronic funds transfer provider.

**Author:** Loretta Nelson

**Statutory Authority:** Code of Ala. 1975, §§40-2A-7(a)(5), 9-17-26(d), 40-20-4(d), Title 40, Chapter 30.

**History: New Rule:** Filed May 11, 2011; effective June 15, 2011.

APPENDIX A

CHAPTER 810-8-6  
FORMS

Oil and Gas Offshore Producer's Tax Return (O&G  
Offshore-1 (Rev. 4/09)

Oil and Gas Offshore Producer's Tax Return Schedule  
(O&G Offshore-2 (Rev. 4/09)

Oil and Gas Offshore Producer's Tax Return Schedule  
(O&G Offshore-3 (Rev. 4/09)

Oil and Gas Producer's Tax Return (O&G Production -1)  
(Rev. 6/09)

Oil and Gas Producer's Tax Return Schedule (O&G  
Production-2) (Rev. 6/09)

Oil and Gas Purchaser's Tax Return (O&G Purchaser-1)  
(Rev. 6/09)

Oil and Gas Purchaser's Tax Return Schedule (O&G  
Purchaser-2) (Rev. 6/09)



ALABAMA DEPARTMENT OF REVENUE  
 SALES, USE & BUSINESS TAX DIVISION  
**Oil and Gas Offshore Producer's Tax Return**  
 PLEASE TYPE OR PRINT IN BLUE OR BLACK INK.

O&G Offshore-1  
 Rev. 4/09

Taxpayer \_\_\_\_\_ FEIN \_\_\_\_\_  
 Address \_\_\_\_\_  
 Contact Person \_\_\_\_\_ Telephone (\_\_\_\_) \_\_\_\_\_

PRODUCTION PERIOD (MONTH / YEAR)
-------------------------------------

Check here if any of the above information has changed since your last return was filed   
 Check here if remitting tax by Electronic Funds Transfer (EFT)   
 Check here if filing an Amended Return

COUNTY / MUNICIPALITY	WELLS PRODUCING FROM DEPTHS GREATER THAN 8,000 FT.		WELLS PRODUCING FROM DEPTHS OF 8,000 FT. OR LESS		TOTAL
	PRODUCTION TAX 1.66%	PRIVILEGE TAX 3.65%	PRODUCTION TAX 2%	PRIVILEGE TAX 4%      6%	
Baldwin					
Mobile					
Mobile / Dauphin Island					
Subtotal					
Interest					
Penalty					
<b>TOTALS</b>					
<b>TOTAL AMOUNT REMITTED</b>					

I hereby certify under penalty of perjury that I am duly authorized to make this tax return; that the information herein contained is true and correct and same is shown by the records of the identified producer; and that the amount of taxes accompanying this return is the true and correct amount of taxes due to the State of Alabama by this producer.

Signed \_\_\_\_\_ Title \_\_\_\_\_

Reports and tax payments are due on or before the fifteenth day of the second month following the month of production.  
 Returns and payments made after due date are subject to penalty and interest charges.  
**ALL PREVIOUS FORMS ARE OBSOLETE AND SHOULD BE DESTROYED.**

MAIL RETURNS TO: Alabama Department of Revenue  
 Severance & License Section  
 P.O. Box 327560  
 Montgomery, AL 36132-7560

TELEPHONE: (334) 353-7827  
 FAX: (334) 242-0770  
 EFT Assistance: 1-800-322-4106 (option 7)  
 Additional forms and information may be obtained at [www.revenue.alabama.gov](http://www.revenue.alabama.gov).

## Instructions On Filing The Oil and Gas Offshore Producer's Return

All producers who operate or receive Take In Kind (TIK) allocations from oil or gas wells in the State of Alabama are required to file a monthly producer's return regardless of who has responsibility of remitting the actual severance tax. The volumes and gross proceeds reported should be actual deliveries and not entitlements. Each month's related production and sales should be filed on a separate return. If the purchaser has the responsibility of remitting the taxes the line on the O&G Offshore-1 form titled "TOTAL TAX REMITTED" would be zero.

Corrections should be made on a separate amended return for each production month by replacing the previously filed return with a replacement return and reporting any additional tax due in the "TOTAL TAX REMITTED" box.

The "Amended Return" box must be checked on the O&G Offshore-1 form.

### O&G Offshore-1 Form

The O&G Offshore-1 form is a cover sheet for the monthly severance tax return (Forms O&G Offshore-2 and/or O&G Offshore-3). The taxes from the O&G Offshore-2 and O&G Offshore-3 forms are consolidated on this sheet and grouped by county/municipality and tax rate.

FEIN: Federal Employer's Identification Number issued to your company by the Federal Government.

Taxpayer and Mailing Address: Name your company is doing business under in the State of Alabama and the address used by the same.

Contact Person and Telephone: Person to contact and their telephone number regarding questions relating to the tax return.

Production Period - Month/Year: The production period for which the report is being filed.

You must check the appropriate box if any of your information has changed or if you are remitting taxes electronically.

### O&G Offshore-2 Form

This schedule is utilized only by producers with wells producing from depths of 8,000 feet or less.

If production occurs within the corporate limits of Dauphin Island, producers should check the Mobile/Dauphin Island checkbox and carry the tax forward to the appropriate line of the O&G Offshore-1 form.

Well/Unit Name: The name of the well or unit as registered with the Alabama State Oil and Gas Board. Note: Unitized fields should be reported as unit volumes versus the individual wells.

Permit Number: The number assigned to the well/unit by the Alabama State Oil and Gas Board.

Product Code: The codes represent the commodity for which your company is selling and remitting severance tax.

100% Production: This is the 100% production applicable to the well. Note: This is not just the producer's interest in the well.

Non-operators: If this data is not available to you, please write in "NON-OP".

Purchaser's Liability Volume: This is the volume the purchaser is responsible for remitting taxes for the producer.

Purchaser's Liability Value: The amount the purchaser paid for the volume he is responsible for remitting taxes on for the producers.

Producer's Liability Volume: The volume for which the producer is liable for remitting taxes.

Producer's Liability Value: The gross value for which the producer is receiving for their product. This value should equate to the purchaser's remittance statement.

Exempt Interest: The percentage amount which is exempt from Severance Tax which has been approved by the State of Alabama, Department of Revenue, Severance & License Section. Approval must be granted prior to deduction being taken.

Other: This represents any other deductions which are not subject to severance taxes.

Producer's Net Taxable Value: This is the Purchased Value less the deductions.

TIK Volume: The volume applicable to other working interest owners who are taking their interest in kind and remitting their own severance taxes. These volumes are actual deliveries, not entitlements, and are listed by producer.

TIK Producer: The name of the producer taking their share of production in kind.

### O&G Offshore-3 Form

This schedule is utilized only by producers with wells producing from depths greater than 8,000 feet.

If production occurs within the corporate limits of Dauphin Island, producers should check the Mobile/Dauphin Island checkbox and carry the tax forward to the appropriate line of the O&G Offshore-1 form.

Well/Unit Name: See O&G Offshore-2 section for instructions.

Permit Number: See O&G Offshore-2 section for instructions.

Product Code: See O&G Offshore-2 section for instructions.

100% Production: See O&G Offshore-2 section for instructions.

Purchaser's Liability Volume: This is the volume the purchaser is responsible for remitting taxes for the producer.

Purchaser's Liability Gross Proceeds: The amount the purchaser paid for the volume he is responsible for remitting taxes on for the producers.

Producer's Liability Volume: The volume for which the producer is liable for remitting taxes.

Producer's Liability Gross Proceeds: The sum of the month's market proceeds and non-market proceeds. No adjustments or deductions may be taken from the market or non-market proceeds in computing gross proceeds.

Exempt Interest: The percentage amount which is exempt from Severance Tax which has been approved by the State of Alabama, Department of Revenue, Severance & License Section. Approval must be granted prior to deduction being taken.

Producer's Net Value: This is the gross proceeds less the exempt interest deduction.

TIK Volume: The volume applicable to other working interest owners who are taking their interest in kind and remitting their own severance taxes. These volumes are actual deliveries, not entitlements, and are listed by producer.

TIK Producer: The name of the producer taking their share of production in kind.



## Instructions On Filing The Oil and Gas Offshore Producer's Return

All producers who operate or receive Take In Kind (TIK) allocations from oil or gas wells in the State of Alabama are required to file a monthly producer's return regardless of who has responsibility of remitting the actual severance tax. The volumes and gross proceeds reported should be actual deliveries and not entitlements. Each month's related production and sales should be filed on a separate return. If the purchaser has the responsibility of remitting the taxes the line on the O&G Offshore-1 form titled "TOTAL TAX REMITTED" would be zero.

Corrections should be made on a separate amended return for each production month by replacing the previously filed return with a replacement return and reporting any additional tax due in the "TOTAL TAX REMITTED" box.

The "Amended Return" box must be checked on the O&G Offshore-1 form.

### O&G Offshore-1 Form

The O&G Offshore-1 form is a cover sheet for the monthly severance tax return (Forms O&G Offshore-2 and/or O&G Offshore-3). The taxes from the O&G Offshore-2 and O&G Offshore-3 forms are consolidated on this sheet and grouped by county/municipality and tax rate.

**FEIN:** Federal Employer's Identification Number issued to your company by the Federal Government.

**Taxpayer and Mailing Address:** Name your company is doing business under in the State of Alabama and the address used by the same.

**Contact Person and Telephone:** Person to contact and their telephone number regarding questions relating to the tax return.

**Production Period - Month/Year:** The production period for which the report is being filed.

You must check the appropriate box if any of your information has changed or if you are remitting taxes electronically.

### O&G Offshore-2 Form

This schedule is utilized only by producers with wells producing from depths of 8,000 feet or less.

If production occurs within the corporate limits of Dauphin Island, producers should check the Mobile/Dauphin Island checkbox and carry the tax forward to the appropriate line of the O&G Offshore-1 form.

**Well/Unit Name:** The name of the well or unit as registered with the Alabama State Oil and Gas Board. Note: Unitized fields should be reported as unit volumes versus the individual wells.

**Permit Number:** The number assigned to the well/unit by the Alabama State Oil and Gas Board.

**Product Code:** The codes represent the commodity for which your company is selling and remitting severance tax.

**100% Production:** This is the 100% production applicable to the well. Note: This is not just the producer's interest in the well.

**Non-operators:** If this data is not available to you, please write in "NON-OP".

**Purchaser's Liability Volume:** This is the volume the purchaser is responsible for remitting taxes for the producer.

**Purchaser's Liability Value:** The amount the purchaser paid for the volume he is responsible for remitting taxes on for the producers.

**Producer's Liability Volume:** The volume for which the producer is liable for remitting taxes.

**Producer's Liability Value:** The gross value for which the producer is receiving for their product. This value should equate to the purchaser's remittance statement.

**Exempt Interest:** The percentage amount which is exempt from Severance Tax which has been approved by the State of Alabama, Department of Revenue, Severance & License Section. Approval must be granted prior to deduction being taken.

**Other:** This represents any other deductions which are not subject to severance taxes.

**Producer's Net Taxable Value:** This is the Purchased Value less the deductions.

**TIK Volume:** The volume applicable to other working interest owners who are taking their interest in kind and remitting their own severance taxes. These volumes are actual deliveries, not entitlements, and are listed by producer.

**TIK Producer:** The name of the producer taking their share of production in kind.

### O&G Offshore-3 Form

This schedule is utilized only by producers with wells producing from depths greater than 8,000 feet.

If production occurs within the corporate limits of Dauphin Island, producers should check the Mobile/Dauphin Island checkbox and carry the tax forward to the appropriate line of the O&G Offshore-1 form.

**Well/Unit Name:** See O&G Offshore-2 section for instructions.

**Permit Number:** See O&G Offshore-2 section for instructions.

**Product Code:** See O&G Offshore-2 section for instructions.

**100% Production:** See O&G Offshore-2 section for instructions.

**Purchaser's Liability Volume:** This is the volume the purchaser is responsible for remitting taxes for the producer.

**Purchaser's Liability Gross Proceeds:** The amount the purchaser paid for the volume he is responsible for remitting taxes on for the producers.

**Producer's Liability Volume:** The volume for which the producer is liable for remitting taxes.

**Producer's Liability Gross Proceeds:** The sum of the month's market proceeds and non-market proceeds. No adjustments or deductions may be taken from the market or non-market proceeds in computing gross proceeds.

**Exempt Interest:** The percentage amount which is exempt from Severance Tax which has been approved by the State of Alabama, Department of Revenue, Severance & License Section. Approval must be granted prior to deduction being taken.

**Producer's Net Value:** This is the gross proceeds less the exempt interest deduction.

**TIK Volume:** The volume applicable to other working interest owners who are taking their interest in kind and remitting their own severance taxes. These volumes are actual deliveries, not entitlements, and are listed by producer.

**TIK Producer:** The name of the producer taking their share of production in kind.



## Instructions On Filing The Oil and Gas Offshore Producer's Return

All producers who operate or receive Take In Kind (TIK) allocations from oil or gas wells in the State of Alabama are required to file a monthly producer's return regardless of who has responsibility of remitting the actual severance tax. The volumes and gross proceeds reported should be actual deliveries and not entitlements. Each month's related production and sales should be filed on a separate return. If the purchaser has the responsibility of remitting the taxes the line on the O&G Offshore-1 form titled "TOTAL TAX REMITTED" would be zero.

Corrections should be made on a separate amended return for each production month by replacing the previously filed return with a replacement return and reporting any additional tax due in the "TOTAL TAX REMITTED" box.

The "Amended Return" box must be checked on the O&G Offshore-1 form.

### O&G Offshore-1 Form

The O&G Offshore-1 form is a cover sheet for the monthly severance tax return (Forms O&G Offshore-2 and/or O&G Offshore-3). The taxes from the O&G Offshore-2 and O&G Offshore-3 forms are consolidated on this sheet and grouped by county/municipality and tax rate.

**FEIN:** Federal Employer's Identification Number issued to your company by the Federal Government.

**Taxpayer and Mailing Address:** Name your company is doing business under in the State of Alabama and the address used by the same.

**Contact Person and Telephone:** Person to contact and their telephone number regarding questions relating to the tax return.

**Production Period - Month/Year:** The production period for which the report is being filed.

You must check the appropriate box if any of your information has changed or if you are remitting taxes electronically.

### O&G Offshore-2 Form

This schedule is utilized only by producers with wells producing from depths of 8,000 feet or less.

If production occurs within the corporate limits of Dauphin Island, producers should check the Mobile/Dauphin Island checkbox and carry the tax forward to the appropriate line of the O&G Offshore-1 form.

**Well/Unit Name:** The name of the well or unit as registered with the Alabama State Oil and Gas Board. Note: Unitized fields should be reported as unit volumes versus the individual wells.

**Permit Number:** The number assigned to the well/unit by the Alabama State Oil and Gas Board.

**Product Code:** The codes represent the commodity for which your company is selling and remitting severance tax.

**100% Production:** This is the 100% production applicable to the well. Note: This is not just the producer's interest in the well!

**Non-operators:** If this data is not available to you, please write in "NON-OP".

**Purchaser's Liability Volume:** This is the volume the purchaser is responsible for remitting taxes for the producer.

**Purchaser's Liability Value:** The amount the purchaser paid for the volume he is responsible for remitting taxes on for the producers.

**Producer's Liability Volume:** The volume for which the producer is liable for remitting taxes.

**Producer's Liability Value:** The gross value for which the producer is receiving for their product. This value should equate to the purchaser's remittance statement.

**Exempt Interest:** The percentage amount which is exempt from Severance Tax which has been approved by the State of Alabama, Department of Revenue, Severance & License Section. Approval must be granted prior to deduction being taken.

**Other:** This represents any other deductions which are not subject to severance taxes.

**Producer's Net Taxable Value:** This is the Purchased Value less the deductions.

**TIK Volume:** The volume applicable to other working interest owners who are taking their interest in kind and remitting their own severance taxes. These volumes are actual deliveries, not entitlements, and are listed by producer.

**TIK Producer:** The name of the producer taking their share of production in kind.

### O&G Offshore-3 Form

This schedule is utilized only by producers with wells producing from depths greater than 8,000 feet.

If production occurs within the corporate limits of Dauphin Island, producers should check the Mobile/Dauphin Island checkbox and carry the tax forward to the appropriate line of the O&G Offshore-1 form.

**Well/Unit Name:** See O&G Offshore-2 section for instructions.

**Permit Number:** See O&G Offshore-2 section for instructions.

**Product Code:** See O&G Offshore-2 section for instructions.

**100% Production:** See O&G Offshore-2 section for instructions.

**Purchaser's Liability Volume:** This is the volume the purchaser is responsible for remitting taxes for the producer.

**Purchaser's Liability Gross Proceeds:** The amount the purchaser paid for the volume he is responsible for remitting taxes on for the producers.

**Producer's Liability Volume:** The volume for which the producer is liable for remitting taxes.

**Producer's Liability Gross Proceeds:** The sum of the month's market proceeds and non-market proceeds. No adjustments or deductions may be taken from the market or non-market proceeds in computing gross proceeds.

**Exempt Interest:** The percentage amount which is exempt from Severance Tax which has been approved by the State of Alabama, Department of Revenue, Severance & License Section. Approval must be granted prior to deduction being taken.

**Producer's Net Value:** This is the gross proceeds less the exempt interest deduction.

**TIK Volume:** The volume applicable to other working interest owners who are taking their interest in kind and remitting their own severance taxes. These volumes are actual deliveries, not entitlements, and are listed by producer.

**TIK Producer:** The name of the producer taking their share of production in kind.



## Instructions On Filing The Oil and Gas Producer's Return

All producers who have an interest in an oil or gas well in the state of Alabama are required to file a monthly producer's return regardless of who has responsibility for remitting the actual severance tax. The volumes reported and taxable value should be actual deliveries and not entitlement. Each month's related production and sales should be filed on a separate return. Corrections should be made on a separate amended return for each production month by replacing the previously filed return with a replacement return and reporting any additional tax due in the "TOTAL TAX REMITTED" box.

The "Amended Return" box must be checked on the O&G Production-1 form.

### O&G Production-1 Form

The O&G Production-1 form is a cover sheet for the monthly severance tax return (form O&G Production-2). The individual counties, municipalities and the tax rates are consolidated on this sheet from the O&G Production-2 form(s). The inventories, production, and sales are reconciled for all the wells. All purchasers of the products are listed with their respective volumes and values, for the quantities purchased.

**FEIN:** Federal Employer's Identification Number Issued to the company by the Federal Government.

**Taxpayer and Mailing Address:** Name the company is doing business under in the state of Alabama and the address used.

**Contact Person and Telephone:** Person to contact and their telephone number when questions regarding a tax return arise.

**Production Period - Month/Year:** The production period for which the report is being filed.

### O&G Production-2 Form

The O&G Producer-2 form is a schedule which lists the individual wells separated by county, municipality and privilege tax rate. Each county, municipality and different applicable privilege tax rate is required to be on a separate form.

**Well/Unit Name:** The name of the well or unit as registered with the Alabama State Oil and Gas Board. Note: A unitized field should be reported as unit volumes versus the individual wells.

**Permit Number:** The number assigned to the well/unit by the Alabama State Oil and Gas Board.

**Production Code:** Codes representing the commodity the company is selling and remitting severance tax on for the producers.

**100% Production:** This is the 100% production applicable to the well. Note: This is not just the producer's interest in the well. Non-operators, if this data is not available, please write in "NON-OP".

**Purchaser's Liability Volume:** The volume the purchaser is responsible for remitting taxes on for the producers.

**Purchaser's Liability Value:** The amount paid for the volumes on which the purchaser is responsible for remitting taxes on for the producers.

**Producer's Liability Volume:** The volume the producer is liable for remitting taxes on.

**Producer's Liability Value:** The gross value for which the producer is receiving for the product. This value should equate to the purchaser's remittance statement.

**Exempt Interest:** The percentage amount which is exempt from Severance Tax which has been approved by the Alabama Department of Revenue, Severance & License Section. Approval must be granted prior to deduction being taken.

**Other:** Any other deductions which are not subject to severance taxes.

**Producer's Net Taxable Value:** The Purchased Value less the deductions.

**TIK Volume:** The volume applicable to other working interest owners who are taking their interest in kind and remitting individual severance taxes. These volumes are actual deliveries not entitlement, and are listed by producer.

**TIK Producer:** The name of the producer taking share of production in kind.

Wells in operation: \_\_\_\_\_  Check here if you are a Non-Operator

	PLANT PRODUCTS	OIL / CONDENSATE	GAS
Beginning	Gals	Bbls	MCF
Production during month	Gals	Bbls	MCF
Sold during month	Gals	Bbls	MCF
Used during month	Gals	Bbls	MCF
Closing Inventory	Gals	Bbls	MCF

PURCHASERS	PRODUCT CODE	GALS / BBLS / MCF SOLD	VALUE





## Instructions on Filing The Oil and Gas Purchaser's Return

The first purchaser of oil, gas, and related products is required by the state of Alabama to file a purchaser's return regardless of responsibility for remitting taxes. Each month's related production and sales should be filed on a separate return. Corrections should be made on a separate amended return for each production month by replacing the previously filed return with a replacement return and reporting any additional tax due in the "TOTAL TAX REMITTED" box.

The "Amended Return" box must be checked on the O&G Purchaser-1 form.

### O&G Purchaser-1 Form

The O&G Purchaser-1 form is a cover sheet for the monthly severance tax return (form O&G Purchaser-2). The individual counties, municipalities and the tax rates are consolidated on this sheet from the O&G Purchaser-2 form(s).

**FEIN:** Federal Employer's Identification Number issued to the company by the Federal Government.

**Taxpayer and Mailing Address:** Name the company is doing business under in the state of Alabama and the address used.

**Contact Person and Telephone:** Person to contact and their telephone number when questions regarding a tax return arise.

**Production Period - Month/Year:** The production period for which the report is being filed.

### O&G Purchaser-2 Form

The O&G Purchaser-2 form is a schedule which lists the individual wells separated by county, municipality and privilege tax rate. Each county, municipality and different applicable privilege tax rate is required to be on a separate form.

**Producer:** The entity who owns an interest in the well(s) and the purchaser makes payment to this entity.

**Well/Unit Name:** The name of the well or unit as registered with the Alabama State Oil and Gas Board. Note: A unitized field should be reported as unit volumes versus the individual wells.

**Permit Number:** The number assigned to the well/unit by the Alabama State Oil and Gas Board.

**Production Code:** Codes representing the commodity the company is purchasing and remitting severance tax on for the producers.

**Purchased Volume:** The 100% volume which was purchased from the well.

**Purchased Value:** The 100% gross value which was paid for the purchased products.

**Purchaser's Liability Volume:** The volume the purchaser is responsible for remitting taxes on for the producers.

**Purchaser's Liability Value:** The gross amount paid for the volumes on which the purchaser is responsible for remitting taxes on for the producers. This value should equate to the company's remittance statement.

**Exempt Interest:** The percentage amount which is exempt from Severance Tax which has been approved by the Alabama Department of Revenue, Severance & License Section. Approval must be granted prior to deduction being taken.

**Other:** Any other deductions which are not subject to severance taxes.

**Net Taxable Value:** The Purchased Value less the deductions.

