



State of Alabama Department of Revenue

(www.revenue.alabama.gov)

50 North Ripley Street
Montgomery, Alabama 36132

July 21, 2015

TO: ALL PERSONS, FIRMS, AND CORPORATIONS making sales at retail and/or purchasing tangible personal property for use, storage, or other consumption in the Town of Midway, Alabama, and its police jurisdiction (located in Bullock County).

Sections 11-51-200, 11-51-202, & 11-51-208, et seq., **Code of Alabama 1975**, authorize and empower municipalities to levy a true sales and use tax identical to the State Sales and Use Tax Laws except for the rates of tax and require the Alabama Department of Revenue upon request of the municipality to collect the tax.

On July 6, 2015, the governing body of the Town of Midway adopted Ordinance No. 2015-01 levying a sales and use tax **effective August 1, 2015**, with a due date of September 21, 2015.

Sales & Use Tax Rates:	<u>Old Rates</u>	<u>New Rates</u>
General Rate	2.00%	3.00%
Admissions to places of amusement and entertainment	2.00%	3.00%
Retail selling price of food for human consumption sold through vending machines	2.00%	3.00%
Net difference paid for machines, machinery, and equipment used in planting, cultivating, and harvesting farm products	2.00%	3.00%
Machines, parts, and attachments for machines used in manufacturing tangible personal property	2.00%	3.00%
Net difference paid for all automotive vehicles, truck trailers, semi-trailers, and house trailers	2.00%	3.00%
Withdrawal fee for automotive vehicle dealers only.....	\$5.00	\$5.00

If sales are made and delivered to consumers, or purchases made for use, storage, or other consumption, outside the corporate limits of the Town of Midway but within the police jurisdiction, the rates of sales and use tax are one-half the rates shown above.

The Law requires that the Town of Midway sales and use taxes be collected, reported and remitted in the same manner as the State sales and use taxes. When you file and pay electronically, the Town of Midway sales and use taxes are to be included on the electronic city/county tax return assigned to you (City and County Tax Return, form 9501). Simply enter the gross amounts and deductions, and all calculations will be done automatically for you. You may file these taxes online through the Internet at www.revenue.alabama.gov/salestax/efiling.html, or through the telephone by calling toll free **1-800-828-1727**. Telephone-filers should use Locality Code 9126.

Please direct all questions regarding the Town of Midway sales and use taxes to this office:

Alabama Department of Revenue
Sales and Use Tax Division
Post Office Box 327710
Montgomery, Alabama 36132-7710
334-242-1490 or 866-576-6531

Ordinance No. 2015-01

PURSUANT TO THE PROVISIONS OF CODE OF ALABAMA 1975 SECTIONS 11-51-200 THROUGH 11-51-207 THIS ORDINANCE REPLACES ORDINANCE 2004-01 IN ITS ENTIRETY AND LEVIES A PRIVILEGE, LICENSE OR EXCISE TAX AGAINST PERSONS, FIRMS, OR CORPORATIONS STORING, USING, OTHERWISE CONSUMING OR ENGAGED IN THE BUSINESS OF SELLING AT RETAIL TANGIBLE PERSONAL PROPERTY OR CONDUCTING PLACES OF AMUSEMENT IN THE TOWN OF MIDWAY, ALABAMA, OR WITHIN ITS POLICE JURISDICTION; PROVIDES FOR THE COLLECTION OF THE SAID TAXES; PROVIDES PENALTIES FOR THE VIOLATION OF THIS ORDINANCE

Pursuant to the provisions of Code of Alabama 1975 Sections 11-51-200 through 11-51-207, be it ordained by the Town Council of the Town of Midway, in the State of Alabama as follows:

Section 1. There is hereby levied, in addition to all other taxes of every kind now imposed by law, and shall be collected as herein provided, a privilege, license or excise tax against persons, firms, or corporations storing, using, otherwise consuming or engaged in the business of selling at retail tangible personal property or conducting places of amusement with Town of Midway and in the amount to be determined by the application of rates against gross sales, or gross receipts, as the case may be, as follows:

(a) Upon every person, firm, or corporation, (including the state of Alabama, the University of Alabama, Auburn University and all other institutions of higher learning in the state, whether such institutions be denominational, state, county or municipal institutions, any association or other agency or instrumentality of such institutions) engaged or continuing within Town of Midway in the business of selling at retail any tangible personal property whatsoever, including merchandise and commodities of every kind and character, (not including, however, bonds or other evidences of debts or stocks, nor sales of material and supplies to any person for use in fulfilling a contract for the painting, repair, or reconditioning of vessels, barges, ships, other watercraft and commercial fishing vessels of over five tons load displacement as register with the US Coast Guard and licensed by the state of Alabama Department of Conservation and Natural Resources), an amount equal to three percent (3%) of the gross proceeds of sales of each business. Provided, however, that any person engaging or continuing in business as a retailer and wholesaler or jobber shall pay the tax required on the gross proceeds of retail sales of such business at the rates specified, when his books are kept so as to show separately the gross proceeds of sales of each business, and when his books are not so kept he shall pay the tax as a retailer, on the gross sales of the business.

(b) Upon every person, firm, or corporation engaged or continuing within Town of Midway in the business of conducting or operating places of amusement or entertainment, billiard and pool rooms, bowling alleys, amusement devices, musical devices, theaters, opera house, moving picture shows, vaudevilles, amusement parks, athletic contests, including wrestling matches, prize fights, boxing and wrestling exhibitions, football and baseball games, (including athletic contests, conducted by or under the auspices of any educational institution within Town of Midway, or any athletic association thereof, or other association whether such institution or association be a denominational, a state, or county, or municipal institution, association or school), skating rinks, race tracks, golf courses, or any other place at which any exhibition, display, amusement or entertainment is offered to the public or place or places where an

proceeds of sales of the business. Provided, however, notwithstanding any language to the contrary in the prior portion of this subdivision, the tax provisions so specified shall not apply to any athletic event conducted by a public primary or secondary school. The tax amount which would have been collected pursuant to this subdivision shall continue to be collected by said public primary or secondary school but shall be retained by the school which collected it and shall be used by said school for school purposes.

(c) Upon every person, firm or corporation engaged or continuing within the Town of Midway in the business of selling at retail machines used in mining, quarrying, compounding, processing and manufacturing of tangible personal property an amount equal to three percent (3%) of the sale of such machines; provided, that the term "machine" as herein used, shall include machinery which is used for mining, quarrying, compounding, processing or manufacturing tangible personal property, and the parts of such machines, attachments and replacements therefore, which are made or manufactured for use on or in the operation of such machines and which are necessary to the operation of such machines and are customarily so used.

(d) Upon every person, firm or corporation engaged or continuing within Town of Midway in the business of selling at retail any automotive vehicle or truck trailer, semi-trailer or house trailer, or mobile home set-up materials and supplies including but not limited to steps, blocks, anchoring, cable pipes and any other materials pertaining thereto an amount equal to three percent (3%) of the gross proceeds of sales of said automotive vehicle or truck trailer, semi-trailer or house trailer, or mobile home set-up materials and supplies, provided, however where a person subject to the tax provided for in this subdivision withdraws from his stock in trade any automotive vehicle or truck trailer, semi-trailer or house trailer for use by him or by his employee or agent in the operation of such business, there shall be paid, in lieu of the tax levied herein, a fee of \$5.00 per year or part thereof during which such automotive vehicle, truck trailer, semi-trailer or house trailer shall remain the property of such person. Each such year or part thereof shall begin with the day or anniversary date, as the case may be of such withdrawal and shall run for the twelve (12) succeeding months or part thereof during which such automotive vehicle, truck trailer, semi-trailer or house trailer shall remain the property of such person. Where any used automotive vehicle or truck trailer, semi-trailer or house trailer is taken in trade or in a series of trades, as a credit or partial payment on the sale of a new or used vehicle, the tax levied herein shall be paid on the net difference, that is, the price of the new or used vehicle sold less the credit for the used vehicle taken in trade.

(e) Upon every person, firm or corporation engaged or continuing within Town of Midway in the business of selling at retail any machine, machinery, or equipment which is used in planting, cultivating and harvesting farm products, or used in connection with the production of agricultural produce or products, livestock or poultry on farms and the parts of such machines, machinery or equipment, attachments and replacement therefore which are made or manufactured for use on or in the operation of such machine, machinery or equipment, and which are necessary to and customarily used in the operation of such machine, machinery or equipment, an amount equal to three percent (3%) of the gross proceeds of sales thereof. Provided, however, the rates herein prescribed with respect to parts, attachments, and replacement shall not apply to any automotive vehicle or trailer designed primarily for public highway use, except farm trailers used primarily in the production and harvesting of agricultural commodities. Where any used machine, machinery or equipment which is used in planting, cultivating and harvesting farm products, or used in connection with the production of agricultural produce or products, livestock and poultry on farms is taken in trade or in a series of trades as a credit or partial payment on a sale of a new or used machine, machinery, or

machinery or equipment taken in trade.

(f) Upon every person, firm or corporation engaged or continuing within Town of Midway in the business of selling through coin-operated dispensing machines, food and food products for human consumption, not including beverages other than coffee, milk, milk products and substitutes therefore, there is hereby levied an amount equal to three percent (3%) on the cost of such food, food products and beverages sold through such machines, which cost for the purpose of this subsection shall be the gross proceeds of sales of such machines.

Section 2. Levy of the Tax in the Police Jurisdiction. Upon every person, firm or corporation engaged in the doing of an act, or who shall do an act, or continuing in the business, or who shall engage in the operation of any business, within the police jurisdiction of the Town but beyond the corporate limits of said Town for which or upon which a privilege or license tax is in the Ordinance levied or required within the corporate limits of the Town, there is hereby levied, in addition to all other taxes of every kind now imposed by law or by municipal ordinance, to be collected as herein provided for the privilege or license taxes herein levied within the corporate limits of the Town a privilege or license tax equal to one-half of that provided, levied or required in this ordinance for the doing of such act, or the engaging or continuing therein, or the engaging or continuing in the operation of such business within the corporate limits of the Town. Provided further, that except for the amount of the privilege or license tax herein levied within the police jurisdiction of said Town but without the corporate limits thereof, all the provisions of this ordinance extend and apply to all the area within the police jurisdiction of the Town.

Section 3. Provisions of State Sales Tax Statutes Applicable to this Ordinance and Taxes herein levied. The taxes levied by Section 1 of this ordinance shall be subject to all definitions, exceptions, exemptions, proceedings, requirements, rules, regulations, provisions, discounts, penalties, fines, punishments and deductions that are applicable to the sales and use taxes levied by the State sales and use tax statutes, except where inapplicable or where herein otherwise provided, including all provisions of the State sales and use tax statutes for enforcement and collections of taxes.

Section 4. (a) An excise tax is hereby levied on the storage, use or other consumption within Town of Midway of tangible personal property (not including materials and supplies bought for use in fulfilling a contract for the painting, repair, or reconditioning of vessels, barges, ships, other watercraft and commercial fishing vessels of over five tons load displacement as register with the US Coast Guard and licensed by the state of Alabama Department of Conservation and Natural Resources) purchased at retail on or after the effective date of this resolution for storage, use or other consumption in Town of Midway, except as provided in subsections (b), (c), and (d) at the rate of three percent (3%) of the sales price of such property within Town of Midway.

(b) An excise tax is hereby levied on the storage, use or other consumption within Town of Midway of any machines used in mining, quarrying, compounding, processing, and manufacturing of tangible personal property purchased at retail on or after the effective date of this resolution at the rate of three percent (3 %) of the sales price of any such machine; provided, that the term "machine" as herein used, shall include machinery which is used for mining, quarrying, compounding, processing or manufacturing tangible personal property, and the parts of such machines, attachments and replacements therefor, which are made or manufactured for use on or in the operation of such machines and which are necessary to the

Midway on any automotive vehicle or truck trailer, semi-trailer, house trailer or mobile home set-up materials and supplies including but not limited to steps, blocks, anchoring, cable pipes and any other materials pertaining thereto purchased at retail on or after the effective date of this ordinance for storage, use or other consumption in Town of Midway at the rate of three percent (3%) of the sales price of such automotive vehicle or truck trailer, semi-trailer, house trailer or mobile home set-up materials and supplies within Town of Midway. Where any used automotive vehicle or truck trailer, semi-trailer or house trailer is taken in trade or in a series of trades, as a credit or partial payment on the sale of a new or used vehicle, the tax levied herein shall be paid on the net difference, that is, the price of the new or used vehicle sold less the credit for the used vehicle taken in trade.

(d) An excise tax is hereby levied and imposed on the storage, use or other consumption within Town of Midway of any machine, machinery, or equipment which is used in planting, cultivating and harvesting farm products, or used in connection with the production of agricultural produce or products, livestock or poultry on farms and the parts of such machines, machinery or equipment, attachments and replacement therefore which are made or manufactured for use on or in the operation of such machine, machinery or equipment, and which are necessary to and customarily used in the operation of such machine, machinery or equipment, which is purchased at retail on or after the effective date of this resolution, for the storage, use or other consumption in Town of Midway at the rate of one and three percent (3%) of the sales price of such property within Town of Midway; provided, however, that the rates herein prescribed with respect to parts, attachments, and replacement shall not apply to any automotive vehicle or trailer designed primarily for public highway use, except farm trailers used primarily in the production and harvesting of agricultural commodities. Where any used machine, machinery or equipment which is used in planting, cultivating and harvesting farm products, or used in connection with the production of agricultural produce or products, livestock and poultry on farms is taken in trade or in a series of trades as a credit or partial payment on a sale of a new or used machine, machinery, or equipment, the tax levied herein shall be paid on the net difference, that is, the price of the new or used machine, machinery, or equipment sold, less the credit for the used machine, machinery or equipment taken in trade.

(e) An excise tax is hereby imposed on tangible personal property at one-half the rates specified in subsections (a) (b) (c) and (d) of this section on the storage, use or other consumption of such tangible personal property outside the corporate limits of the Town of Midway.

Section 5. The taxes levied by Section 4 of this ordinance shall be subject to all definitions, exceptions, exemptions, proceedings, requirements, rules, regulations, provisions, discounts, penalties, fines, punishments, and deductions that are applicable to the taxes levied by the State use tax statutes, except where inapplicable or where herein otherwise provided, including provisions of the State use tax statutes for enforcement and collection of taxes.

Section 6. This ordinance shall not be construed to repeal or replace any of the provisions of other taxes of every kind, but shall be held to be cumulative, and the amounts of taxes herein levied shall be in addition to the amount of all other license, privilege or excise taxes imposed by Town of Midway.

Section 7. Severability. Each and every provision of this ordinance is hereby declared to be an independent provision and the holding of any provision hereof to be void and invalid for any reason shall not affect any other provision of this ordinance.

SECTION 9. The tax levied by sections 1 and 2 hereof may be collected by the State Department of Revenue, or a private firm under contract with the Town of Midway. The private firm shall have and exercise the same powers, duties, and obligations with respect to the tax levied hereunder that are imposed on the commissioner and department by the state sales and use tax statutes.

Section 9. The net proceeds of the taxes levied herein shall be paid into the general fund of the Town of Midway.

Section 10. The taxes levied herein shall become effective on the 1st day of August, 2015 and the first payment of taxes hereunder shall be due and payable on the 1st day of August, 2015.

ADOPTED this 4th day of July, 2015.

ATTEST:

Margaret Mildred K. Whittington
Mayor Mildred K. Whittington

Sabrina Skitt
Temporary Town Clerk

Dollie Blue
Councilwoman Dollie Blue

Samuel T. Hall IV
Councilman Samuel T. Hall IV

Roy S. Murray
Councilman Roy Murray

Richard Parker
Councilman Richard Parker