

ALABAMA DEPARTMENT OF REVENUE - SALES AND USE TAX RULES
Code of Alabama 1975, Sections 40-23-31 and 40-23-83

810-6-2-.90.02. Simplified Sellers Use Tax Remittance Program.

(1) Unless otherwise defined herein, the definitions of terms set forth in Section 40-23-191, Code of Alabama 1975, are incorporated by reference herein.

(2) The term "Eligible Seller" shall mean an individual, trust, estate, fiduciary, partnership, limited liability company, limited liability partnership, corporation or other legal entity that sells tangible personal property or a service, but

(a) Does not have a physical presence in this state; or

(b) Is not otherwise required to register with the Department pursuant to Sections 41-4-116 or 40-23-190, Code of Alabama 1975.

(3) The term "locality" shall mean a county, municipality, or other local governmental taxing authority which levies a local sales and/or use tax.

(4) The term "most recent federal census" shall mean the decennial population count conducted by the U. S. Census Bureau.

(5) The term "municipality" shall mean any incorporated city or town located in the state.

(6) The term "otherwise delivered" shall mean delivery by a method other than in equipment owned or leased by the seller. Delivery in the seller's own vehicle or in equipment leased by the seller establishes a physical presence and disqualifies the seller from participation in the program.

(7) The term "program" shall mean the Simplified Sellers Use Tax Remittance Program.

(8) The term "program account number" shall mean the simplified sellers use tax account number assigned by the department upon approving an application for participation in the program.

(9) The term "simplified sellers use tax return" shall mean the monthly report of tax due from eligible sellers participating in the program.

(10) The term "state" shall mean the State of Alabama.

(11) Pursuant to Code of Alabama 1975, Section 40-23-191, et. seq., the Simplified Sellers Use Tax Remittance Program is designed to allow an eligible seller who participates in the program to collect, report, and remit a statewide eight percent (8%) tax on sales made into Alabama. Participation in the program is voluntary and only those eligible sellers accepted into the program shall collect and remit the simplified sellers use

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tax. The collection and remittance of simplified sellers use tax relieves the eligible seller and the purchaser from any additional state or local sales and use taxes on the transaction.

(a) No eligible seller shall be required to collect the tax at a rate greater than eight percent (8%), regardless of the combined actual tax rate that may otherwise be applicable.

(b) No sales for which the simplified sellers use tax is collected shall be subject to any additional sales or use taxes from any locality levying a sales or use tax with respect to the purchase or use of the property, regardless of the actual tax rate that might have otherwise been applicable.

(c) The participating eligible seller shall collect the tax on all purchases shipped or otherwise delivered into the state unless the purchaser furnishes the eligible seller with a valid exemption certificate, sales tax license, or direct pay permit issued by the department.

(12) A participating eligible seller shall provide the purchaser with an invoice showing that the simplified sellers use tax was collected and is to be remitted on the purchaser's behalf. The invoice shall include the eligible seller's program account number.

(a) The following is intended to provide an example of the statement required by law to appear on the customer's invoice and statement:

Seller has collected the simplified sellers use tax on this transaction(s) and the tax will be remitted on the customer's behalf to the Alabama Department of Revenue. Seller's program account number is SSU-RXXXXXXXXX.

(13) In order to participate in the program, an eligible seller shall complete the required application and provide other information as necessary to certify that the seller

(a) Meets the definition of an eligible seller,

(b) Agrees to collect, report, and remit the simplified sellers use tax for all sales shipped or otherwise delivered into the state while participating in the program,

(c) Agrees to provide the department with information related to sales to Alabama customers as required by law or requested by the department, and

(d) Agrees to comply with all program reporting requirements established under program procedures.

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(14) A participating eligible seller shall be removed from the program if:

(a) The eligible seller substantially fails to collect, report, and remit the simplified sellers use tax.

(b) The eligible seller fails to submit required reports on a timely basis.

(c) It is determined that the seller is no longer an eligible seller, as defined by Section 40-23-191.

(d) There is any other finding by the department that the participant is not in compliance with the terms authorizing participation in the program.

(15) Any participating eligible seller who fails to report that he or she is no longer eligible to participate in the program or falsely certifies eligibility on any report or application shall be subject to the negligence and/or fraud penalties in accordance with Section 40-2A-11.

(16) Eligible sellers approved for participation in the program shall file monthly a simplified sellers use tax return reporting all sales shipped or otherwise delivered into the state.

(a) The return shall be due on or before the 20th day of the month next succeeding the month in which tax accrues.

(b) The return shall be due even in months where no tax liability is incurred.

(c) Returns and payments are required to be submitted via the Department's electronic online filing and payment system, My Alabama Taxes (MAT).

(d) Returns required to be submitted shall only include statewide totals of the simplified sellers use tax collected and remitted and shall not require information related to the location of purchasers or amounts of sales into a specific city or county.

(e) Returns and payments submitted after the due date will be subject to penalties and interest in the same manner as those applied to other tax returns due the department and in accordance with the provisions of Code of Alabama 1975, Sections 40-2A-11 and 40-1-44, respectively.

(17) Eligible sellers participating in the program shall be entitled to a discount of two percent (2%) of the simplified sellers use tax collected and timely reported and remitted to the department. No discount shall be allowed for any taxes which are not timely reported and remitted to the department pursuant to the program.

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(18) The proceeds of the simplified sellers use tax paid shall be appropriated to the department, which shall retain the amount necessary to fund the administrative costs of implementing and operating the program and to cover the amounts paid for refunds authorized in Section 40-23-196. The balance of the amounts collected shall be distributed as follows:

(a) Fifty percent (50%) to the state treasury and allocated seventy-five percent (75%) to the General Fund and twenty-five percent (25%) to the Education Trust Fund.

(b) Twenty-five percent (25%) to each county in the state on a prorated basis according to population as determined in the most recent federal census prior to the distribution.

(c) Twenty-five percent (25%) to each municipality in the state on a prorated basis according to the population as determined in the most recent federal census prior to the distribution.

(19) The distribution of the proceeds from the simplified sellers use tax paid to counties and municipalities shall be made electronically and shall be deposited in the most current banking account for each county and municipality on file with the department. These proceeds shall be paid to counties and municipalities quarterly, in January, April, July, and October of each year for proceeds received during each preceding calendar quarter.

(20) Eligible sellers shall maintain records of all sales shipped or otherwise delivered into Alabama, including copies of invoices showing the purchaser's name, address, purchase amount, and the amount of simplified sellers use tax collected. Such records shall be made available for review and inspection upon request by the department.

(21) Eligible sellers participating in the program shall not be subject to audit or review by any Alabama locality. The Alabama Department of Revenue holds the sole authority for audit and review of eligible sellers participating in the program. (Sections 40-2A-7(a)(5), 40-23-191 and 40-23-195, Code of Alabama 1975. Effective October 22, 2015, Amended April, 23, 2016)