

## **Simplified Sellers Use Tax Information for Local Governments**

- Act 2015-448, entitled the “Simplified Sellers Use Tax Remittance Act” allows “eligible sellers” to participate in a program to collect, report and remit a flat 8 percent Simplified Sellers Use Tax, “SSUT” on sales made into Alabama. An “eligible seller” is one that sells tangible personal property or a service into Alabama from an inventory or location outside the state and who has no physical presence and is not otherwise required by law to collect tax on sales made into the state.
- Act 2015-448’s provisions only apply to sellers who volunteer to collect and remit Alabama’s sales tax, but who are not required to do so.
- Participation in the program shall be by election of the eligible remote seller and only those eligible remote sellers accepted into the program as set out in the Act shall collect and remit the SSUT.
- Participation in the program shall not be construed as subjecting an eligible remote seller to franchise, income, occupation, or any other type of taxes or licensing requirements levied or imposed by the state of Alabama or any locality.
- The flat 8 percent sales tax applies to all sales regardless of the locality and or rate of tax of the locality into which the product is shipped in Alabama.
- The department is required by law to distribute the localities’ portion of the taxes on a quarterly basis to all municipalities and counties based on population. No specific seller’s payments will be associated with any particular locality, regardless of the locality into which any product is shipped.
- No eligible remote seller’s tax return information concerning these deposits will be reported to any locality. Localities will simply receive an electronic deposit of their share of these funds, without tax returns, account numbers or other data of any kind. It is suggested that a locality create an “AL Simplified Sellers Use” account to post the funds to for balancing purposes.
- Electronic deposits of the SSUT will be noted on the locality’s bank deposit as “SimpleSell”.
- The department will provide a list of SSUT account holders through a secure method. This list is provided so that the local governments are aware of the taxpayers who fall under the protection of the SSUT Act. Any further information regarding a SSUT account holder must be requested through the exchange of information agreement procedures.
- The collection and remittance of the SSUT relieves the eligible seller and the purchaser from any additional state and local sales or use taxes on the transaction.

- Eligible sellers participating in the program shall not be subject to audit or review by any Alabama locality.
- In the event that a change in federal law, whether it be federal legislation or decision of the U.S. Supreme Court, removes current federal limitations on state' ability to enforce their sales and use tax jurisdiction against businesses that lack an instate physical presence, the provisions of this act will continue to apply to any eligible seller who has been approved by the department as a participant in the program at least six months prior to the change in law and to any taxpayer who has paid or pays the simplified sellers use tax authorized under the act provided the eligible seller continues to collect, report, and remit the simplified sellers use tax and otherwise complies with all procedures and requirement of the program.
- Eligible sellers participating in the program shall be granted amnesty for any uncollected remote use tax that may have been due on sales made to purchasers in the state for the twelve-month period preceding the effective date of the eligible sellers' participation in the program.
- Amnesty will preclude (prohibit) assessment for uncollected SSUT together with any penalty or interest for sales made during the twelve-month period prior to the effective date of the eligible seller's participation in the program.
- Amnesty is not available to any eligible seller with respect to any matter or matters for which the eligible seller has received notice of the commencement of an audit and the audit is not yet finally resolved, including any related administrative and judicial processes.