State of Alabama
Department of Revenue

(www.revenue.alabama.gov)

50 North Ripley Street
Montgomery, Alabama 36132

Commissioner

Cynthia Underwood
Assistant Commissioner
Lewis A. Easterly
Secretary

December 20, 2010

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

Sections 11-51-200, 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 October 21, 2010, the governing body of the City of Demopolis adopted Ordinance No. 2010-5 levying a sales and use tax **effective January 1, 2011**. The tax levied by this ordinance is an amendment to the sales and use tax levied by Ordinance No. 1991-3. The use tax rates are the same as the sales tax rates shown below:

Sales & Use Tax Rates:	**Old Rates**	**New Rates**
General Rate	3.0%	3.0%
Admissions to places of amusement and entertainment	3.0%	3.0%
Retail selling price of food for human consumption sold through vending machines	3.0%	3.0%
Net difference paid for machines, machinery, and equipment used in planting, cultivating, and harvesting farm products	1.0%	1.0%
Machines, parts, and attachments for machines used in manufacturing tangible personal property	1.0%	1.0%
Net difference paid for all automotive vehicles, truck trailers, semi-trailers, and house trailers	1.0%	0.50%
Withdrawal fee for automotive vehicle dealers only	$3.33	$3.33

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

The Law requires that the City of Demopolis 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 City of Demopolis 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(s): 9683.

Please direct all questions regarding the City of Demopolis sales and use taxes to this office:

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