

CHELSEA
Posted 3/23/16

Effective July 1, 2013.

The City of Chelsea discontinued the levy of sales and use taxes outside the corporate limits of the city but within the police jurisdiction of the city.

Your City of Chelsea sales and use taxes may be remitted online through the Alabama Department of Revenue's online filing system My Alabama Taxes (MAT), the 'One Spot' to file: <http://revenue.alabama.gov/salestax/efiling.html>. If you have any questions about your Chelsea sales and use taxes, please contact:

RDS
P. O. Box 830725
Birmingham, AL 35283-0725
1-800-556-7274

If you have any questions regarding this notice, please contact this office:

ALABAMA DEPARTMENT OF REVENUE
Sales & Use Tax Division
P.O. Box 327710
Montgomery, Alabama 36132-7710
(334) 242-1490

ORDINANCE #13-05-07-664

SALES, USE and LEASING/RENTAL TAX RATES

SECTION 1: Sales Tax – Levy.

There is hereby levied, in addition to all other taxes of every kind now imposed by law, and there shall be collected as herein provided, a privilege or license tax against the person on account of the business activities 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, and any association or other agency or instrumentality of such institutions) **engaged or continuing within the city 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 or debts or stocks, nor sale or sales of material and supplies to any person for use in fulfilling a contract for the painting, repairing or reconditioning of vessels, barges, ships and other watercraft of over fifty (50) tons burden), an amount equal to **four percent (4%)** of the gross proceeds of sales of the business except where a different amount is expressly provided herein. 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 the city in the business of **conducting or operating places of amusement or entertainment**, billiard and pool rooms, bowling alleys, amusement devices, musical devices, theaters, opera houses, 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 the city, or any athletic association thereof, or other association whether such institution or association be a denominational, state or county or a municipal institution or association or a state, county or city school, or other 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 admission fee is charged, including public bathing places, public dance halls or every kind and description within the city, an amount equal to **four percent (4%)** of the gross receipts of any such business.

(c) Upon every **person, firm or corporation** engaged or continuing within the city in the **business of selling at retail machines used in mining, quarrying, compounding, processing and manufacturing of tangible personal property**, an amount equal to **two percent (2%)** of the gross proceeds of the sale of such machines; provided, that the term "machines," 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 operation of such machines and are customarily so used.

(d) Upon every person, firm or corporation engaged or continuing within the city in the **business of selling at retail any automotive vehicle or truck trailer, semitrailer or house trailer**, an amount equal to **one percent (1%)** of the gross proceeds of sale of said automotive vehicle or truck trailer, semitrailer or house trailer, provided where a person subject to the tax provided for in this subsection withdraws from his stock in trade any automotive vehicle or truck trailer, semitrailer 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 two dollars fifty cents (\$2.50) per year or part thereof during which such automotive vehicle, truck trailer, semitrailer 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, semitrailer or house trailer shall remain the property of such person.

Where any used automotive vehicle or truck trailer, semitrailer or house trailer is taken in trade or in a series of trades, as a credit or part 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 the city 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 replacements 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 **one percent (1%)** of the gross proceeds of the sale thereof. Provided, however, the **one percent (1%)** rate herein prescribed with respect to parts, attachments and replacements 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 part 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.

(f) Upon every person, firm or corporation engaged or continuing within the city 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 therefor**, there is hereby levied a tax equal to **two percent (2%)** of 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 business.

Section 2: Levy in Police Jurisdiction.

No tax will be levied in the police jurisdiction.

Section 3: Same - State Statutes Applicable.

The taxes levied by section 1 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 sales tax statutes, except where inapplicable or where herein otherwise provided, including all provisions of the state sales tax statutes for enforcement and collection of taxes.

Section 4: Use Tax - Levy.

(a) An excise tax is hereby imposed on the **storage, use or other consumption in the city of tangible personal property** (not including materials and supplies bought for use in fulfilling a contract for the painting, repairing or reconditioning of vessels, barges, ships and other watercraft of more than fifty (50) tons burden) purchased at retail on or after the effective date of this article for storage, use or other consumption in the city, except as provided in paragraphs (b), (c), and (d), at the rate of **four percent (4%)** of the sales price of such property within the corporate limits of said city.

(b) An excise tax is hereby imposed on the **storage, use or other consumption in the city 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 article at the rate of **two percent (2%)** of the sales price of any such machine within the corporate limits of the city; 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 operation of such machines are customarily so used.

(c) An excise tax is hereby imposed on the **storage, use or other consumption in the city of any automotive vehicle or truck trailer, semitrailer or house trailer purchased at retail** on or after the effective date of this article for storage, use or other consumption in the city at the rate of **one percent (1%)** of the sales price of such automotive vehicle, truck trailer, semitrailer, or house trailer within the corporate limits of said city. Where any used automotive vehicle, truck trailer, semitrailer or house trailer is taken in trade, or in a series of trades, as credit or part payment of 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 in the city 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 replacements therefor 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 after the effective date of this article, for the storage, use or other consumption in the city at the rate of **one percent (1%)** of the sales price of such property within the corporate limits of said city regardless of whether the retailer is or is not engaged in the business in this city. Provided, however, the **one percent (1%)** rate herein prescribed with respect to parts attachments and replacements 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 part 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.

Section 5: Same - State Statutes Applicable.

The taxes levied by section 4 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 all provisions of the state use tax statutes for enforcement and collection of taxes.

Section 6: Leasing/Rental Tax.

There is hereby levied, in addition, to all other taxes of every kind now imposed by law, and shall be collected as follows:

(a) A privilege or license tax is levied on each **person, firm or corporation** engaging or continuing with the City of Chelsea in the business of **leasing or renting tangible personal property** at the rate of **three percent (3%)** of the gross proceeds derived by the lesser from the lease or rental of tangible personal property.

(b) A privilege or license tax is levied on each **person, firm or corporation** engaging or continuing with the City of Chelsea in the business of **leasing or renting any automotive vehicle or truck trailer, semi-trailer or house trailer** at the rate of **three percent (3%)** of the gross proceeds derived by the lesser from the lease or rental of such automotive vehicle or truck trailer, semi-trailer or house trailer, provided that the tax levied in the ordinance shall not apply to any leasing or rental, as lesser, by the state, or any municipality or county in the state, or any public corporation, organized under the laws of the state, including without limiting the generality of the foregoing, any corporation organized under the provision of Section 11-54-80 through 11-54-101, Code of Alabama, 1975.

(c) A privilege or license tax is levied on each **person, firm or corporation** engaging or continuing within the city in the business of the **leasing and rental of linens and garments** shall be at the rate of **three percent (3%)** of the gross proceeds derived by the lesser from the lease or rental of such linens and garments.

Section 7: Same - State Statutes Applicable.

Provisions of State Rental Tax Statutes Applicable to this Ordinance and Taxes herein levied. The taxes levied by Section 6 of this Ordinance shall be subject to all definitions, exceptions, exemptions, proceedings, requirements, rules, regulations, provisions, discounts, penalties, fines, punishments, and deductions as are provided by Section 40-2A-7 and 40-12-200.

Section 8: Article Cumulative.

This ordinance shall not be construed to repeal any of the provisions of the general license code or ordinance of the city, but shall be held to be cumulative, and the amounts of the taxes herein levied shall be in addition to the amounts of all other license taxes imposed by the city by its general license code.

Section 9: Severability.

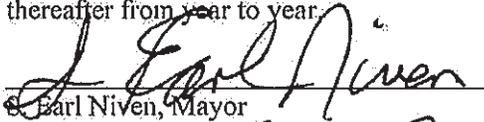
Each and every provision of this ordinance is hereby declared to be an independent provision and the holding of any provision hereof to be void and invalid for any reason shall not affect any other provision hereof, and it is hereby declared that the other provisions of this ordinance would have been enacted regardless of any provision which might have been invalid.

Section 10: Repeal of Ordinance 01-04-23-148 and Ordinance 98-12-01-095.

This ordinance is intended to and shall replace and supersede Ordinance 01-04-23-148 and Ordinance 98-12-01-095 of the City of Chelsea, Alabama.

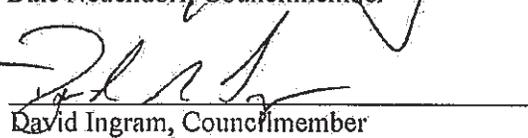
Section 11: Effective Date.

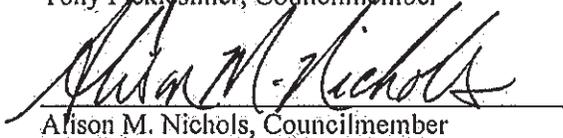
This ordinance shall become effective on the 1st day of July, 2013, and the first payment of taxes hereunder shall be due and payable on the 20th day of August, 2013. This ordinance shall remain in full force and effect and shall apply to each remaining month of 2013 and to each month of each calendar year thereafter from year to year.

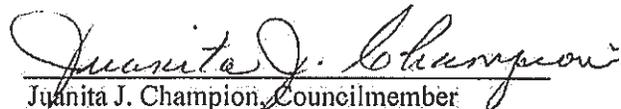

Earl Niven, Mayor


Dale Neuendorf, Councilmember

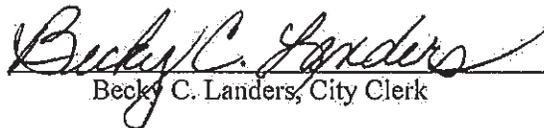

Tony Picklesimer, Councilmember


David Ingram, Councilmember


Alison M. Nichols, Councilmember


Juanita J. Champion, Councilmember

Passed and approved this the 7th day of May, 2013


Becky C. Landers, City Clerk