

Revenue REVIEW

4th Quarter
FY 2012
(July, August,
September 2012)

A Quarterly Publication of the Alabama Department of Revenue

More Taxes, More Applications Added to ADOR's Electronic Filing and Online Services

“It’s all about making the process easier,” said State Revenue Commissioner Julie P. Magee. “The process being tax filing and online license applications,” explained Magee. “We are always looking for ways to improve, cut

costs, and above all, make all of our filing and application processes easier for taxpayers.”

According to Magee, the latest efforts include moving the majority of the remaining business taxes to an electronic

filing platform and transitioning the annual Motor Vehicle Regulatory, Automotive Dismantler & Parts Recycler, and Buyer’s Identification (BID) Card license application/renewal processes to Web-

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Magee Speaks at Back-to-School STH Press Conference

Alabama State Revenue Commissioner Julie Magee was one of several dignitaries attending Gov. Robert Bentley’s August 2 press conference announcing this year’s Back-to-School Sales Tax Holiday.

Magee was asked to offer remarks reminding taxpayers that the holiday offers benefits for parents and their schoolchildren.



Julie Magee, State Revenue Commissioner, encourages Alabamians to use the State Sales Tax Holiday for back-to-school items and to stock up on needed supplies. Joining Magee (from left) are: Rodney Jacobs, a Walmart Market Manager, Alabama Retail Association President Rick Brown, state Rep. Joe Hubbard, state Rep. Greg Wren, Town of Pike Road Mayor Gordon Stone, Montgomery Mayor Todd Strange and Gov. Robert Bentley. (Alabama Governor’s Office Jamie Martin)

Electronic and Online Services

(Continued from Page 1)

based electronic systems.

In September, the Alabama Uniform Severance Tax, Coal Severance Tax, Forest Severance Tax, Iron Ore Tax, Coosa County Local Solid Mineral Tax, Jackson County Local Solid Mineral Tax, Dog Track Pari-Mutuel Pool Tax, State Horse Wagering Fee, Hazardous Waste Fee, and Solid Waste Fee joined the department's electronic filing lineup.

Notices sent in June advised affected taxpayers of the department's plan to move this group of taxes to an electronic filing platform and provided guidance concerning the new registration and tax-filing procedures for this group of taxpayers.

In the online service area, Magee said the department's decision to move the Motor Vehicle Regulatory License application and renewal process, as well as the Automotive Dismantler & Parts Recycler License and BID Card application and renewal processes exclusively to Web-based electronic systems, effective this September, makes the entire licensing process much more efficient and easier for this group of taxpayers.

"The turnaround time on license processing and issuance will be improved, as many of the manual processing steps will be eliminated," said Magee. "In 2007, the department moved its Certificate of Motor Vehicle Title application process to an online process and saw dramatic improvements in turnaround times on title issuance, as well as significant decreases in title application errors. We expect similar results in these areas."

Annually, the ADOR issues over 4,500 Motor Vehicle Regulatory licenses, over 750 Automotive Dismantler & Parts Recycler licenses, and over 1,800 BID cards. Licenses and BID cards both expire on September 30 each year.

"So many of the positive things we are doing here in Revenue go 'under the radar,' so to speak, but to the taxpayers affected, these things really are important. It's all about making the process simpler and

ADOR Updated Advisory to Taxpayers Filing Alabama Schedule CR

The Alabama Department of Revenue (ADOR) issued an important advisory in early September affecting Alabama taxpayers who file the Alabama Individual Income Tax Schedule CR (Credit for Taxes Paid to Other States). The ADOR has issued additional guidance to taxpayers who have already filed their 2011 return or will be filing their 2011 returns in the coming weeks.

Guidance for Taxpayers Who Have Filed

The ADOR recommends that taxpayers not file amended returns to correct for this issue. The ADOR has in place a mechanism for identifying all 2011 returns that have been filed or will be filed along with an accompanying Schedule CR. The ADOR will identify the 2011 return and automatically recalculate the limitation based on the 2010 rules. If the recalculation results in an overpayment of taxes, a refund will be approved for issuance.

Guidance for Taxpayers Who Have Not Filed Pending Oct. 15, 2012, Extension

Taxpayers who have not filed their 2011 Alabama Individual Income Tax Return and the 2011 Schedule CR (Credit

for Taxes Paid to Other States) have two options available to them.

The First Option: Taxpayers may file their returns electronically or use computer-generated returns (bar-code) that include the 2011 Schedule CR without the current update. The ADOR will identify these returns and automatically recalculate the limitation based on the 2010 rules. If the recalculation results in an overpayment of taxes, a refund will be approved for issuance.

The Second Option: Taxpayers may use the updated 2011 Schedule CR fill-in form for their original filing, available on ADOR's website. The 2011 Schedule CR (fill-in form) has been updated to calculate the credit for taxes paid to other states in the same manner as done in previous tax years, prior to the 2011 Schedule CR form change. Electronic filing is not available with this option, nor will the bar-code return filing accept the updated Schedule CR. This option requires the taxpayer to file a paper return using the updated 2011 Schedule CR.

For more information on these filing options available to taxpayers, please contact the department's Individual and Corporate Tax Division at 334.242.1099.

easier, so that our business taxpayers will spend less time working on tax and licensure matters and have more time to focus on their business endeavors," said Magee.

For more information about Alabama's severance and fee-related taxes, visit the department's Business and License Tax Division web page at <http://www.revenue.alabama.gov/severance/tax/taxes.html>.

For more information about the department's online Motor Vehicle Regulatory License application/renewal process, visit the department's Motor Vehicle Division web page at

http://revenue.alabama.gov/motorvehicle/dealer_faq.html.

For more information about the department's online Automotive Dismantler & Parts Recycler License and BID Card, visit the department's Business and License Tax Division web page at <http://www.revenue.alabama.gov/licenses/dismantler.html>.

For more information about Alabama's hazardous waste, solid waste and pari-mutuel fees and taxes, visit the department's Business and License Tax Division web page at <http://www.revenue.alabama.gov/tobaccotax/taxes.html>.

Magee Promotes OIVS

Commissioner Julie Magee has participated in numerous statewide television and newspaper interviews, explaining the implementation of the Online Insurance Verification System, or OIVS. Effective January 2013, the system will provide real-time verification of liability insurance.

Commissioner Magee (right) is interviewed by Nicole Allhouse, host of ABC 33,40's "Talk of Alabama," in Hoover, AL.



Commissioner Magee (right) appeared on APT's "Capitol Journal" with host Don Dailey.

ADOR Reminder re Prepaid Wireless 9-1-1 Service Charge

The Alabama Department of Revenue reminds Alabama retailers and Alabama Commercial Mobile Radio Service (CMRS) providers of the new reporting requirements, related to the Prepaid Wireless 9-1-1 Service Charge, that took effect Sept. 1, 2012.

Act 2012-293 requires the Alabama Department of Revenue to begin administration of the statewide service charge effective Sept. 1. All retailers and service providers selling prepaid wireless communication services must register with the ADOR to collect and report the service charge on each prepaid wireless retail transaction.

In the notices mailed to retailers and service providers, the ADOR provided guidance on how the service charge should be electronically reported and filed with the ADOR. View a copy of the department's Notice.

The first return to be filed with the Alabama Department of Revenue is due on or by Oct. 20, 2012, and will cover sales of prepaid wireless communication services made during the month of September.

Act 2012-293 establishes a Prepaid Wireless 9-1-1 Service Charge that will be levied on sales of prepaid wireless telecommunication services by retailers. Previously, only wireless service providers were required to collect and remit the charge. The rate of the Prepaid Wireless 9-1-1 Service Charge is currently 70 cents per retail transaction.

The Prepaid Wireless 9-1-1 Service Charge is currently earmarked for the Commercial Radio Mobile Services Board to provide for emergency 9-1-1 services. Act 2012-293 establishes the creation of the statewide 9-1-1 Board, which at a later date, will receive the proceeds of the service charge. View a copy of [Act 2012-293](#).

For more information concerning the electronic reporting and filing of the Prepaid Wireless 9-1-1 Return, taxpayers are encouraged to contact the department's Sales and Use Tax Division at 334.242.1490 or visit the department's Web site at www.revenue.alabama.gov.

From the IRS Drought-Stricken Farmers and Ranchers Have More Time to Replace Livestock

*43 States, Including Alabama,
Affected*

IR-2012-72, Sept. 25, 2012

WASHINGTON — Farmers and ranchers who previously were forced to sell livestock due to drought, like the drought currently affecting much of the nation, have an extended period of time in which to replace the livestock and defer tax on any gains from the forced sales, the Internal Revenue Service announced today.

Farmers and ranchers who, due to drought, sell more livestock than they normally would may defer tax on the extra gains from those sales. To qualify, the livestock generally must be replaced within a four-year period. The IRS is authorized to extend this period if the drought continues.

The one-year extension of the replacement period announced today generally applies to capital gains realized by eligible farmers and ranchers on sales of livestock held for draft, dairy or breeding purposes due to drought. Sales of other livestock, such as those raised for slaughter or held for sporting purposes, and poultry are not eligible.

The IRS is providing this relief to any farm located in a county, parish, city or district, listed as suffering exceptional, extreme or severe drought conditions by

the National Drought Mitigation Center (NDMC), during any weekly period between Sept. 1, 2011, and Aug. 31, 2012. All or part of 43 states are listed. Any county contiguous to a county listed by the NDMC also qualifies for this relief.

As a result, farmers and ranchers in these areas whose drought sale replacement period was scheduled to expire at the end of this tax year, Dec. 31, 2012, in most cases, will now have until the end of their next tax year. Because the normal drought sale replacement period is four years, this extension immediately impacts drought sales that occurred during 2008. But because of previous drought-related extensions affecting some of these localities, the replacement periods for some drought sales before 2008 are also affected. Additional extensions will be granted if severe drought conditions persist.

Details on this relief, including a list of NDMC-designated counties, are available in Notice 2012-62, posted on IRS.gov. Details on reporting drought sales and other farm-related tax issues can be found in Publication 225, Farmer's Tax Guide, also available on the IRS web site.

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Counties in the following states are affected:

Alabama	Missouri
Arizona	Montana
Arkansas	Nebraska
California	Nevada
Colorado	New Hampshire
Connecticut	New Mexico
Delaware	New York
Florida	North Carolina
Georgia	North Dakota
Hawaii	Ohio
Idaho	Oklahoma
Illinois	Oregon
Indiana	Rhode Island
Iowa	South Carolina
Kansas	South Dakota
Kentucky	Tennessee
Louisiana	Texas
Maryland	Utah
Massachusetts	Virginia
Michigan	Wisconsin
Minnesota	Wyoming
Mississippi	

Administrative Rules

Effective Aug. 3, 2012:

Adopted:

- 810-8-1-.60 Credit Card Issuer Petition for Refund for Gasoline & Undyed Diesel Fuel Purchases by Licensed Exempt Entities
- 810-8-1-.63 Supplier Twenty Day Notification
- 810-8-1-.59 Motor Fuel Back Up Tax Return
- 810-8-1-.58 Motor Fuel Floor-Stocks Tax Return
- 810-8-1-.57 Net Gallons
- 810-8-1-.54 Electronic Filing of Returns and Reports
- 810-8-1-.27 Licensed Exporter Refunds
- 810-8-1-.26 Licensed Distributor Refund for Sales to Licensed Exempt Entities
- 810-8-1-.23 Exempt Entity Petition for Refund for Tax-Paid Gasoline & Diesel Fuel
- 810-8-1-.21.01 Refund of Diesel Fuel Excise Tax for Off-Road Use
- 810-8-1-.14 Loss of Taxable Fuel Petition for Refund for Losses and Contamination of Motor Fuel
- 810-8-1-.13 Miscellaneous Refund Provisions

Amended:

- 810-8-1-.56 Sales Records of A Licensed Distributor
- 810-8-1-.53 Internet Based Electronic Filing of Tax Returns and Schedules
- 810-8-1-.47.01 Dyed Motor Fuels Sold for Exclusive Off-Road Use
- 810-8-1-.31 Sale
- 810-8-1-.29 Deposits in Lieu of Surety Bonds
- 810-8-1-.20 Motor Fuel Sales to the United States
- 810-8-1-.22 Exemptions Pertaining to the Additional Excise Tax on Gasoline, Motor Fuel and Lubricating Oil
- 810-8-1-.17 Dyed Motor Fuel for a Motor Ve-

hicle Used Exclusively "Off the Highway"

- 810-8-1-.11 Stated and Uniform Policy Pertaining to the Exemption of Certain Organizations from State Gasoline and Motor Fuel Excise Taxes

Repealed:

- 810-8-1-.25 Summary of the Rates Applying to State and Local Government
- 810-8-1-.16 Summary of Tax Rates for Motor Fuels used in Motor Vehicles for Highway Operation
- 810-8-1-.15 Additional Motor Fuel Tax Rate
- 810-8-1-.10 Quarterly Fuel Tax Return to be Filed with the Department of Revenue
- 810-8-1-.09 Purchase Invoice Requirements
- 810-8-1-.08 Miles Per Gallon Standard
- 810-8-1-.07 IMC Fuel Permit Fees
- 810-8-1-.05 Motor Fuel Marker Enforcement
- 810-8-1-.03 Interstate Motor Carrier Fuel Tax Refund
- 810-8-1-.62 Motor Fuel Tax Regulation— Stated and Uniform Policy Pertaining to the Exemption of Certain Taxpayers from State Motor Fuel Taxes
- 810-8-1-.61 Penalty for Sale or Use of Motor Fuel without Payment of Motor Fuel Tax—Dyed Motor Fuel
- 810-8-1-.55 Purchase Records of a Licensed Distributor
- 810-8-1-.52 Returns and Payments, Monthly Report of Distributors
- 810-8-1-.51 Denial of License
- 810-8-1-.49 Revocation of License
- 810-8-1-.28 Distributor's License
- 810-8-1-.48 Termination of License
- 810-8-1-.24 Credit Card Sales at Retail Outlets to Exempt Entities
- 810-8-1-.21 Undyed Motor Fuel Used Exclusively for "Off-Road Vehicles" and "Off-Road Equipment"
- 810-8-1-.19 Tax-Free Sales of Motor Fuel
- 810-8-1-.18 Procedure for Issuing Refund of Gasoline and Motor Fuel Excise Taxes for Agricultural Purposes and for the Delivery of Biomass Products
- 810-8-1-.06 Statement of Gross Sales

Exclusion

- 810-8-1-.01 Eligibility for Consideration of an Applicant for a Wholesale Gasoline License

Effective Sept. 3, 2012

Adopted:

- 810-27-1-4-.09.01 Apportionment Formula: Double Weighting the Sales Factor
- 810-5-12-.03 Bond Claim for New Motor Vehicle Dealers, Motor Vehicle Wholesalers, Used Motor Vehicle Dealers, Motor Vehicle Reconditioners, and Motor Vehicle Rebuilders
- 810-5-12-.02 Surety Bond and Surety Bond Continuation Form for New and Used Motor Vehicle Dealers, Motor Vehicle Wholesalers, Motor Vehicle Reconditioners, and Motor Vehicle Rebuilders
- 810-8-5-.14 Internet-Based Automotive Dismantler Parts Recycler and BID Card Applications and Fees

Amended:

- 810-27-1-4-.17 Sales Other Than Sales of Tangible Personal Property
- 810-5-75-.64 Report of Unclaimed Vehicle
- 810-5-75-.24 Title Procedure—First & Second Lien (s) to be Recorded (Security Interest Created by Owner). Title Procedure—Assignment and Transfer of Lien by Lienholder.

Repealed:

- 810-5-1-.487 Memorandum of Understanding Between the Administrative Office of Courts and the Alabama Department of Revenue—Convictions/Violations of Liability Insurance Laws
- 810-5-1-.486 Memorandum of Understanding between the Administrative Office of Courts and the Alabama Department of Revenue—Parking Ticket Cases
- 810-8-5-.09 Bond Claim for New Motor Dealers, Used Motor Vehicle Dealer, Motor Vehicle Reconditioner, Motor Vehicle Rebuilders, or Motor Vehicle Wholesalers
- 810-8-5-.08 Bond Continuation Certificate for New Motor Vehicle Dealers, Used Motor Vehicle Dealers, Motor Vehicle

Reconditioners, Motor Vehicle Rebuilders, or Motor Vehicle Wholesalers

810-8-5-.07 Bond for New Motor Vehicle Dealers, Used Motor Vehicle Dealers, Motor Vehicle Reconditioners, Motor Vehicle Rebuilders, or Motor Vehicle Wholesalers

810-8-5-.02 Requirements Relating to a Camera Photograph Pertaining to New and Used Vehicle Dealers Regulatory License

810-8-5-.01 Sign Requirements Relating to New and Used Motor Vehicle Dealers

810-8-1-.05.01 IFTA Motor Fuel Marker/License Enforcement

Effective Sept. 13, 2012:
Adopted:

810-6-3-.66 ER Sales Tax Holiday for Severe Weather Preparedness

Amended:

810-3-73-.01 Withholding Exemption Certificates

Effective Sept. 26, 2012
Adopted:

810-5-12-.05 Evidence of Liability Insurance for Licensed Motor Vehicle Dealers, Motor Vehicle Reconditioners, Motor Vehicle Rebuilders, and Motor Vehicle Wholesalers

810-8-5-.15 Quinquennial Adjustment to Municipal Business License Issuance Fees

810-7-1-.24 Electronic Filing of Hazardous Waste Fee, Solid Waste Fee, Pari-Mutuel Pool Tax and State Horse Wagering Fee Returns

810-8-5-.16 Electronic Filing of Severance Tax Returns and Supporting Supplemental Forms

Repealed:

810-5-1-227.07 Memorandum of Understanding between the Alabama Department of Environmental Management and the Alabama Department of Revenue

810-8-5-.06 Evidence of Liability Insurance for Motor Vehicle Dealers, Motor Vehicle Reconditioners, Motor Vehicle Rebuilders, or Motor Vehicle Wholesalers

Alabama Attorney General and Alabama Revenue Commissioner Announce Conviction for Tobacco Tax Evasion and Criminal Possession of Forged Instrument

Attorney General Luther Strange and Revenue Commissioner Julie P. Magee announced the conviction September 11 of Shamim Ahmed Khan for charges of tobacco tax evasion and criminal possession of a forged instrument.

Khan, a Pelham man who operates a wholesale company that distributes goods to retail convenience stores, was indicted by a Shelby County grand jury on January 11. He is the owner and president of Capital LLC, which is located in Pelham and does business as Capital Wholesale and Distribution.

Khan pleaded guilty for failing to pay \$806,466 in state tobacco taxes for the period of February 2008 through April 2010. Khan also pleaded guilty to criminal possession of a forged instrument, which he admitted to filing with a public employee of the Department of Revenue for the State of Alabama in order to conceal his nonpayment of state tobacco taxes.

"This case should serve as a reminder that tax evasion will not be tolerated – it is a serious crime that will be thoroughly investigated, prosecuted and punished," said Attorney General Strange.

"Tax evasion is costly to all involved, and far outweighs any chance of personal gain. Convicted individuals face penalties and jail time, but even more importantly, when tax evasion occurs, state revenues are shortchanged, and that affects all of our citizens in some way or another," said Commissioner Magee.

Khan is set to be sentenced on November 19, when he faces a penalty of up to five years imprisonment and a fine of up to \$100,000 for tax evasion, as well as up to 10 years imprisonment for second-degree possession of a forged instrument, which is a Class C Felony.

Attorney General Strange and Commissioner Magee commended those involved in this case, noting Deputy Attorney General Mike Duffy of the Attorney General's Special Prosecution Division and Special Agent Jerome Dangerfield of the Alabama Department of Revenue's Investigations Division.

Effective Oct. 1, 2012:

Adopted:

810-8-1-.64 Motor Fuel Discounts

Effective Oct. 12, 2012:

Adopted:

810-5-12-.04 Investigation Procedures for Open Assignment of Title

810-5-1-.217 License Plate Design Specifications

Repealed:

810-8-5-.04 Investigation Procedures for Open Assignment of Title

Effective Jan. 1, 2013:

Repealed:

810-5-8-.06 Affirmation of Motor Vehicle Liability Insurance

Alabama Department of Revenue Warns Taxpayers of E-Mail Scam

The Alabama Department of Revenue (ADOR) alerted taxpayers of an e-mail scam in which taxpayers are reportedly advised that they have been awarded gift cards or other prize winnings from the Alabama Department of Revenue.

The ADOR advises that if you receive an e-mail from someone claiming to represent the ADOR and seeking personal or financial information, do not reply. **The Alabama Department of Revenue does not initiate taxpayer communications through e-mail.**

Taxpayers are strongly cautioned not to open any suspicious e-mails or open any links. Do not provide any personal or financial information such as bank account numbers, credit card PIN numbers, or account passwords.

“Taxpayers should always use extreme caution when they receive unsolicited e-mails, from any source, especially those seeking any type of personal or financial information,” warned State Revenue Commissioner Julie P. Magee.

Interest Rates Remain the Same for 4th Quarter of 2012

Interest rates for the calendar quarter beginning Oct. 1, 2012, will remain at three (3) percent, according to Internal Revenue Bulletin No. 2012-68, dated Aug. 23, 2012.

Under Sect. 40-1-44, *Code of Alabama 1975*, the Department of Revenue will calculate interest on underpayments and overpayments (where applicable) at this same annual rate (3%); however, land sold by the state for taxes, shall be calculated at 12% in accordance with Sect. 40-5-9. (Historical rates shown right.)

Statement of Gross Tax Collections

Through End of 4th Quarter FY 2012
(July, August, September 2012)

	FYTD 2011-12	FYTD 2010-11	% Change
Business Privilege Tax	\$ 118,390,276.75	\$ 111,966,743.70	5.74
Gasoline	402,115,623.55	406,458,810.06	(1.07)
Income Tax-Corporate	422,668,390.72	369,377,542.86	14.43
Income Tax-Individual	3,537,164,103.83	3,378,120,521.19	4.71
Income Tax (Total)	3,959,832,494.55	3,747,498,064.05	5.67
Motor Fuels	130,418,788.97	131,151,880.49	(0.56)
Oil & Gas Privilege (8%)	83,703,393.38	82,000,915.93	2.08
Oil & Gas Production (2%)	27,778,319.14	29,591,063.94	(6.13)
Sales	1,994,425,975.28	1,912,430,776.65	4.29
Use Tax	286,033,857.66	268,705,345.02	6.45
Utility Gross Receipts	383,095,528.36	410,946,581.42	(6.78)
SUBTOTAL	7,385,794,257.64	7,100,750,181.26	4.01
SUBTOTAL (OTHER TAXES)	1,545,119,454.85	1,506,063,699.49	2.59
TOTAL (ALL TAXES)	\$8,930,913,712.49	\$8,606,813,880.75	3.77

Interest Rates By Calendar Quarter

(Established by: 26 USCA §6621; §40-1-44, *Code of Alabama 1975*)

	1ST QTR	2ND QTR	3RD QTR	4TH QTR
2001	9%	8%	7%	7%
2002	6%	6%	6%	6%
2003	5%	5%	5%	4%
2004	4%	5%	4%	5%
2005	5%	6%	6%	7%
2006	7%	7%	8%	8%
2007	8%	8%	8%	8%
2008	7%	6%	5%	6%
2009	5%	4%	4%	4%
2010	4%	4%	4%	4%
2011	3%	4%	4%	3%
2012	3%	3%	3%	3%

ADOR Hosts ONE SPOT Organizational Meeting

Commissioner Julie Magee chaired the September 26 organizational meeting of the Advisory Committee to the Optional Network Election for Single Point Online Transactions (ONE SPOT).



Commissioner Magee welcomes attendees to the meeting, held in the Commissioner's Conference Room.



Tax Policy and Research Division Director Curtis Stewart takes notes.

General Revenue Related Acts

2012 Regular Session

Act 2012-54 (HB 144)

Expands Existing Tax Incentives to Investments by Companies Engaged in Coal Mining

This act amends Sections 40-9B-3 and 40-18-190; expands existing tax incentives to investments by companies primarily engaged in the coal mining industry; adds Industry Group 2121 (Coal Mining) to the qualifying business activities that qualify for abatements and capital credit; exempts coal companies from sales and ad valorem taxes for a period of ten years but will have no effect on the administration of the coal severance taxes imposed in Title 40, Chapter 13.

Effective Date: March 1, 2012

Act 2012-168 (HB 152)

"Heroes for Hire" Tax Credit Act of 2012

This act provides that companies who meet the requirements of the "Full Employment Act of 2011" may receive an additional \$1000 credit for each new employee hired who is defined as a "recently deployed unemployed veteran" (RDUV) (discharged within the last 2 years), to be applied against the employer's income tax liability; allows a RDUV a nonrefundable credit up to \$2000 against the income tax liability for expenses associated with one start-up business in which the RDUV holds at least 50% ownership; the \$2000 credit can only be taken for a business (located in Alabama) started after the passage of this bill and with a net profit of at least \$3000 for the year in which the credit is taken; an employer cannot claim the additional \$1000 credit for an employee who has claimed the \$2000 credit and the RDUV cannot claim the \$2000 credit if his/her employer has claimed the additional credit on him/her.

Effective Date: April 2, 2012. The ex-

emptions apply for all tax years beginning on or after January 1, 2012.

Act 2012-185 (HB 39)

State Sales Tax Exemption for Parts, Components and Systems used in Conversion, Reconfiguration and Maintenance of Transport Category Aircraft

This act amends Section 40-23-4(a)(46); exempts the gross receipts from the sale of parts, components, and systems that become a part of a fixed or rotary wing military aircraft or certified transport category aircraft which undergoes conversion, reconfiguration or general maintenance so long as the address of the aircraft for FAA registration is not in Alabama; exemption applies to state sales tax only; there is no corresponding local exemption unless specifically passed by local ordinance or resolution; there is no corresponding use tax exemption; exemption is effective for the fiscal year beginning October 1, 2012, and ending May 30, 2022, unless extended by legislative

action.

Effective Date: October 1, 2012. Exemption ends May 30, 2022, unless extended by Legislature.

Act 2012-209 (HB 17)

Establishes the Crime of Offering a False Instrument for Recording against a Public Servant

This act amends Section 13A-9-12; makes it a felony for offering a false instrument for recording against a public servant; a person commits the crime when the person offers, for recording, a written instrument which relates to or affects the real or personal property, or an interest therein, or a contractual relationship of a public servant, knowing that the written instrument contains a materially false statement or materially false information, with the intent to defraud, intimidate, or harass the public servant, or to impede the public servant in the performance of his or her duties; provides for penalties; sets forth a procedure allowing any person to petition a recording official to expunge a false instrument that has been recorded.

Effective Date: April 19, 2012

Act 2012-210 (HB 154)

Alabama Data Processing Center Economic Incentive Enhancement Act of 2012

This act amends Sections 40-9B-3, 40-9B-4, 40-18-190, and 40-18-193; entitled the Alabama Data Processing Center Economic Incentive Enhancement Act of 2012; allows the governing body of a municipality, county, or a public industrial authority to grant abatements of certain ad valorem taxes and construction related transaction taxes to private users of data processing centers for a period of up to thirty years; amends the definition of a "data processing center" by reducing employment thresholds in order to qualify for an abatement from 50 to 25 and requires the annual average total compensation of the new jobs to be no less than \$40,000; amends the definition of "Industrial Development Property" by adding Subsector 493, where the trade or business will provide logistics services related to the

distribution of goods, employ 50 or more persons, and involve a capital investment of at least \$5 million, except that the investment in a trade or business located in a favored geographic area, as defined in Section 40-18-190(a)(6), must exceed \$1 million; amends the maximum exemption period to provide for an abatement of 10 years for data processing centers with a capital investment that does not exceed \$200,000,000 within 10 years of the private user commencing the acquisition, construction and equipping of the project; a period of 20 years with a capital investment exceeding \$200,000,000 but not greater than \$400,000,000 within 10 years of the private user commencing the acquisition, construction and equipping of the project; and a period of 30 years with a capital investment exceeding \$200,000,000 within 10 years of the private user commencing the acquisition, construction and equipping of the project and exceeding \$400,000,000 within 20 years of the private user commencing the acquisition, construction and equipping of the project; provides that the abatement for data processing centers covers all real and personal property acquired at any time during the applicable maximum exemption period.

Effective Date: April 19, 2012

Act 2012-212 (HB 243)

Increases the Maximum Expended Amounts Beyond which Entertainment Industry Rebates Would not Be Allowed and Increases the Annual Cap for Incentives

This act concerns the Entertainment Industry Incentives Act of 2009; amends Sections 41-7A-43 and 41-7A-45, as amended by Act 2011-695 of the 2011 Regular Session, and Section 41-7A-48; increases the maximum expended amounts beyond which entertainment industry rebates would not be allowed and increases the annual cap for incentives allowed during any fiscal year; raises the maximum expended amount beyond which rebates would not be allowed; increases the annual cap for incentives allowed during any fiscal year to \$15 million for FY 2013; \$15 million

for FY 2014; and \$20 million for fiscal years thereafter.

Effective Date: April 19, 2012

Act 2012-227 (SB 298)

Specifies That a Law Enforcement Officer Can Have a Motor Vehicle Towed if Driver Has Been Arrested or Injured, or Motor Vehicle Needs to Be Removed for Other Reason as Determined by a Law Enforcement Officer

This act amends Sections 32-13-1 and 32-13-2; amends the definition of an "abandoned motor vehicle" in Title 32, Chapter 13, to include vehicles unattended because the driver of the vehicle has been arrested or is impaired by an accident or for any other reason which causes the need for the vehicle to be immediately removed as determined necessary by the law enforcement officer, or which is subject to an impoundment order for outstanding traffic or parking violations.

Effective Date: April 24, 2012

Act 2012-256 (HB 436)

Severe Weather Preparation Sales Tax Holiday

This act exempts purchases of certain covered items (storm prevention/recovery items) from the state sales and use tax during the first full weekend in July, 2012, and during the last full weekend of February in subsequent years; authorizes any county or city to exempt certain covered items from local sales and use taxes; prohibits a county or municipality from providing for a sales and use tax exemption during any period of the year that is not designated as a sales tax holiday.

Effective Date: April 26, 2012

Act 2012-259 (HB 73)

Income Tax Refund Check-Off for Victims of Crime and Leniency, Inc. (VOCAL)

This act amends Section 40-18-140; relating to income tax refund check-offs; provides an income tax refund check-off for a contribution to Victims of Crime and Leniency, Inc. (VOCAL).

Effective Date: April 30, 2012. For tax years beginning after December 31, 2012.

Act 2012-279 (SB 459)**Optional Network Election for Single Point Online Transactions or "ONE SPOT"**

This act requires the Department of Revenue to develop and make available a system which allows any taxpayer required to file and remit a state, county, or municipal sales or use tax or a state, county, or municipal leasing or rental tax the ability to file and remit the sales and use tax or leasing or rental tax returns and payments through an electronic single point of filing program; entitled the Optional Network Election for Single Point Online Transactions or "ONE SPOT"; provides that use of the system is optional to business entities; there will be no charge to utilize ONE SPOT by a taxpayer or local taxing jurisdiction; creates a State and Local Advisory Committee to provide input to the Commissioner of Revenue, and provides for its membership, powers, and duties; the Department of Revenue shall develop and make available the ONE SPOT system no later than September 30, 2013.

Effective Date: July 1, 2012. For returns and payments for tax periods beginning after September 30, 2013.

Act 2012-293 (HB 89)**Statewide Prepaid E-911 Fee**

This act amends Sections 11-98-1, 11-98-2, 11-98-4, 11-98-5, 11-98-6, 11-98-7, and 11-98-9; adds Sections 11-98-4.1, 11-98-5.2, 11-98-5.3, 11-98-13, 11-98-13.1, 11-98-14, and 11-98-15; repeals Sections 11-98-5.1, 11-98-7.1, and 11-98-8; creates a statewide E-911 Board to replace the existing Commercial Mobile Radio Service Board (CMRSB); empowers the board to establish and collect a single statewide emergency telephone service charge to be paid into an E-911 Fund replacing all other existing wireline and wireless E-911 charges and provides new procedures for the collection of the emergency service charge from prepaid wireless consumers at the point of sale; proposes that a single monthly statewide E-911 charge shall be imposed on each active voice communications service connection in Alabama payable by the subscriber to the voice communications

service provider to the 911 Board; the statewide 911 charge collected under Section 11-98-5 will not be subject to taxes or charges levied on or by the voice communications service provider and the charges and fees will not be considered revenue of the provider for any purposes; provides that prepaid wireless charges will be taxed at the point of sale paid by the consumer, collected by the seller at the time of the sale and remitted to the Department on Revenue; Revenue will remit the amount collected to the CMRSB within 30 days of the date received; the fee shall be administered in the same manner as applicable in Chapter 23 of Title 40; the audit and appeal procedures applicable to Chapter 23 of Title 40 shall apply to the wireless 911 fee.

Effective Date: May 8, 2012

Sections 11-98-4.1, 11-98-5.2, 11-98-13.1, 11-98-14, and 11-98-15 become effective May 8, 2012. Section 11-98-5.3 will become effective September 1, 2012. The remaining provisions of the act become effective on October 1, 2013.

Act 2012-304 (HB 359)**Foreign Corporations Provided with Same Obligations, Rights and Consequences as Other Foreign Entities Doing Business Unregistered**

This act amends Section 10A-1-7.21 and repeals Sections 10A-2-15.01 and 10A-2-15.02; consequences of a foreign corporation transacting business without registering with the Secretary of State same as other foreign entities doing business in the State unregistered.

Effective Date: January 1, 2014, following the ratification of the constitutional amendment proposed by HB357 of the 2012 Regular Session (Act 2012-275).

Act 2012-305 (SB 86)**Income Tax Refund Check-Off for Contribution to Alabama Veterinary Medical Foundation for the Spay-Neuter Program**

This act provides an income tax refund check-off for a contribution to the Alabama Veterinary Medical Foundation for the Spay-Neuter Program.

Effective Date: August 1, 2012. Effective for the 2012 tax year and subsequent years.

Act 2012-309 (HB 307)**Insulin Syringes and Other Diabetic Supplies Exempt from Sales and Use Taxes**

This act specifies that the sale of insulin syringes and other diabetic supplies purchased pursuant to a valid prescription will be exempt from any state, county, and municipal sales and use taxes; applies retroactively to all open tax periods and all periods for which a preliminary or final assessment of tax could be entered pursuant to Section 40-2A-7, or any successor general or local law; pursuant to Section 2 of this act, no refunds shall be due or issued pursuant to this act with respect to those periods prior to the effective date of this act.

Effective Date: August 1, 2012

Retroactive to all open tax periods and all periods for which a preliminary or final assessment of tax could be entered pursuant to Section 40-2A-7.

Act 2012-313 (HB 120)**Clarifies Process for Claiming Exemption from Ad Valorem Tax Due to Age or Disability**

This act amends Sections 40-9-19, 40-9-21, and 40-9-21.1; clarifies the process for claiming an exemption from ad valorem taxes due to age or disability; ties the exemptions provided for in 40-9-19 (d) and 40-9-21 to the income thresholds present in these sections; raises the income threshold from \$7,500 to \$12,000.

Effective Date: August 1, 2012

The amendatory language in the act will apply for tax years beginning on or after October 1, 2012.

Act 2012-317 (HB 341)**Exempts Underground and Aboveground Storage Tanks from Requirements of Alabama Uniform Environmental Covenants Act**

This act amends Section 35-19-2; exempts underground and aboveground storage tanks storing motor fuel from the

Alabama Uniform Environmental Covenants Act (AUECA); does not affect Title 22, Subtitle 1, Chapter 35 which imposes the storage tank trust fund charge, administered by the Department of Revenue.

Effective Date: August 1, 2012

Act 2012-318 (HB 364)

Further Provides for the Levy, Collection, and Administration of Severance Tax, Including Point When Tax is Levied

This act amends Sections 40-13-51, 40-13-53, 40-13-54, 40-13-55, 40-13-56, 40-13-57, and 40-13-58; further provides for the levy, collection, and administration of the severance tax, including the point when the tax is levied; provides a definition for "pollution control" or "abatement"; amends definition of "severed material" to exclude severed materials that are further processed into a finished aggregate or limestone product without being transported on a public road; requires the Department of Revenue to provide the county commissions with more detailed information regarding the distributions, including copies of taxpayer's returns, upon request of the county; requires the tax to be imposed on severed materials which are sold, delivered, or transferred between separate legal entities; provides an exemption from the tax where a producer who severs material from the earth and sells the severed material to the first purchaser without the materials being transported on a public road; provides that direct purchases by sovereign governmental entities are not subject to the tax hereunder; no penalties shall be imposed against a producer or purchaser for any severance tax due, based upon an interpretation of the provisions of this act, until the Department has adopted rules that have been effective for 60 days.

Effective Date: October 1, 2012

Act 2012-335 (SB 382)

Extends Collection of Construction Craft Industry Fees

This act amends Section 7 of Act 2009-561, and repeals Section 7 of Act 2010-220; provides for the continued collection of

construction craft industry fees; all licensed contractors performing work on any construction project job located in Alabama must remit a fee to the Department of Revenue to be used for the recruitment and training of new construction craft trade workers; construction craft industry fee is subject to sunset provisions on October 1, 2014.

Effective Date: May 10, 2012

Act 2012-362 (HB 272)

Repeals the Requirement for the Social Security Number to be Provided by Applicants for Renewal of Licenses

This act amends Section 30-3-194; relates to providing the Social Security Number for the issuances and renewal of a license; repeals the requirement for providing the Social Security Number for a license renewal.

Effective Date: August 1, 2012

Act 2012-378 (SB 426)

Eliminates Minimum Penalty Provision in Failure to File Tax Law

This act amends Section 40-2A-11; discontinues the assessment of the late filing penalty in cases where an individual income tax return was filed reflecting no tax due at the time of filing; failure to file penalty remains unchanged for other taxpayers.

Effective Date: May 14, 2012. For tax returns filed for the 2011 and subsequent tax years.

Act 2012-385 (HB 140)

Extension of Time Period to Claim Capital Credits

This act amends Section 40-18-194; provides for a carry forward and delay of credit mechanism for certain qualifying projects that incur more than \$100 million in capital investment and create at least 100 jobs; projects that incur at least \$400 million will be allowed to carry forward the capital credit up to four taxable years; projects that incur at least \$300 million but less than \$400 million will be allowed to carry forward the credit up to three taxable years; projects that incur at least \$200 million but less than \$300 million will be

allowed to carry forward the credit up to two taxable years; projects that incur at least \$100 million but less than \$200 million will be allowed to carry forward the credit one taxable year; allows a company that meets the investment and the jobs thresholds to delay the start of the qualifying project for up to three years; projects that are placed in service after December 31, 2011, and meet the thresholds will be allowed the carry forward and delay provisions.

Effective Date: May 14, 2012

This act shall become effective for all qualifying projects for which a project agreement has been entered into prior to December 31, 2011, but which have not been placed in service as of December 31, 2011, and for all qualifying projects for which a project agreement is entered into on or after December 31, 2011.

Act 2012-386 (HB 145)

Extension of Excise and Privilege Tax on Coal

This act amends Sections 40-13-2, 40-13-6 and 40-13-8; provides for the collection of the excise and privilege tax on coal; amends the distribution amounts and formulas for those agencies receiving proceeds from the \$0.135 coal severance tax; counties producing coal that had not previously received an allocation will receive an allocation based upon tonnage produced in the county using 60% of the severance tax; terminates the tax on October 1, 2021, unless extended by the Legislature.

Effective Date: August 1, 2012

For fiscal year beginning October 1, 2011, the tax shall apply to all severance of coal from October 1, 2011, through the effective date of this act, as well as the severance of coal after the effective date of this act. No penalties or interest will be assessed for the tax return or payment related to the tax for the periods from October 2011 through the effective date of this act if the return is filed and payment is remitted by August 20th, 2012.

Act 2012-391 (HB 328)**Income Tax Credit for Purchase and Installation of Irrigation Equipment**

This act provides for the expense allowance provided to Alabama income taxpayers under Section 179 of the Internal Revenue Code for irrigation equipment; for all tax years beginning after December 31, 2011, there is allowed to any agricultural trade or business an income tax credit of 20% of the cost of the purchase and installation of qualified irrigation equipment and conversions costs related to irrigation systems or the development of irrigation reservoirs and water wells; credit shall be limited to only one purchase and installation of qualified irrigation equipment or one qualified reservoir per taxpayer; the credit may not exceed \$10,000 in any tax year or the taxpayer's Alabama income tax liability computed without regard to the credit.

Effective Date: May 14, 2012. For all tax years beginning after December 31, 2011.

Act 2012-395 (HB 401)**Sales and Use Tax Exemption for Metal Held for Investment Purposes**

This act amends Sections 40-23-4 and 40-23-62; Section 40-23-4 is amended to exempt the gross receipts from the sale or sales of metal, other than gold or silver, when the metal is purchased for the purpose of transferring such metal to an investment trust in exchange for shares or other units, each of which are both publicly traded including metal stored in warehouses located in this state; the exemption defines metals to include copper, aluminum, nickel, zinc, tin, lead, and other similar metals typically used in commercial industrial applications; Section 40-23-62 is amended to exempt the storage or use of these metals.

Effective Date: August 1, 2012

Act 2012-413 (SB 227)**Establishes a Catastrophe Savings to Cover Insurance Deductibles and Other Uninsured Portions of Risks of Loss to Owners of Residential Property Owners from Windstorm Events**

This act establishes a catastrophe

savings account to provide reimbursement for insurance deductible amounts and other uninsured portions of risks of loss to owners of residential property from a windstorm event; a taxpayer may establish only one catastrophe savings account; allows individual taxpayers a deduction against income earned for state income tax purposes imposed pursuant to Section 40-18-5 for amounts contributed to a catastrophe savings account; the total amount that may be contributed to the catastrophe savings account cannot exceed any of the following: 1) individuals whose qualified deductible is less than/equal to \$1,000, the maximum amount is \$2,000, 2) individuals whose qualified deductible is greater than \$1,000, the maximum amount is the amount equal to the lesser of \$15,000 or twice the amount of the taxpayer's qualified deductible, 3) self-insured individuals who choose not to obtain insurance on his/her legal residence, the maximum amount is \$250,000 but cannot exceed the value of the legal residence; if a taxpayer contributes in excess of the limits, the taxpayer must withdraw the excess amount and include the amount in Alabama income for purposes of Section 40-18-5, in the year of withdrawal; a distribution from a catastrophe savings account must be included in the income of the taxpayer unless the amount of the distribution is used to cover qualified catastrophe expenses; the tax paid pursuant to Section 40-18-5, attributable to a taxable distribution, with exceptions, must be increased by two and one-half percent of the amount which is includable in income; if a taxpayer who owns a catastrophe savings account dies, his/her amount must be included in the income of the person who receives the account, unless the person is the surviving spouse of the taxpayer.

Effective Date: May 15, 2012

Act 2012-416 (SB 439)**Commissioner of Revenue Prescribes Number of Years Motor Vehicle License Plate Designs will be Valid**

This act amends Section 32-6-62; makes all license plate designs valid for a

minimum period of five years; permits the Commissioner of Revenue, with the approval of the License Plates Legislative Oversight Committee, to authorize a license plate design to be extended past the current five (5) year period.

Effective Date: August 1, 2012

Act 2012-425 (HB 277)**Levies Tax on Cigar Wrappers**

This act levies a tax on cigar wrappers and adds Section 40-25-2.1 to Title 40; defines a "cigar wrap" as an individual tobacco wrapper that is made wholly or in part from tobacco, including reconstituted tobacco, whether in the form of tobacco leaf, sheet, or tube, if the wrap is designed to be offered to or purchased by a consumer; the tax is levied on all cigar wrappers made using tobacco, sold at wholesale in this state, or imported into this state for use, consumption, or sale at retail; the tax will be based on weight; the rates for weight are the same as those levied on smoking tobacco; provides that this section does not apply to a cigar manufacturer using wrappers made from tobacco applying those wrappers on a finished cigar for sale at retail; before someone engages in the business of selling cigar wrappers on which the tax has not been paid to the Department of Revenue, they are required to obtain a license; this act requires monthly reports; provides for penalties; provides for the distribution of proceeds from the tax levy according to Section 40-25-23.

Effective Date: August 1, 2012

Act 2012-426 (HB 278)**Secondary Metals Recyclers; Additional Records Required; Purchases of Specified Metal Property Limited; Registration with ACJIC Required; Database of Metal Property Sales Created; Criminal Penalties Established**

This act amends Sections 13A-8-30, 13A-8-31, 13A-8-32, 13A-8-33, 13A-8-34, 13A-8-35, 13A-8-36, 13A-8-37, and 13A-8-39; adds Sections 13A-8-31.1, 13A-8-31.2, 13A-8-35.1, 13A-8-37.1, and 13A-8-37.2; requires secondary metals recyclers to maintain additional records relating to the purchase

of ferrous and nonferrous metals; requires secondary metals recyclers to register with the Alabama Criminal Justice Information Center (ACJIC) or other responsible agency, who will maintain a database of certain information collected by secondary metals recyclers relating to the purchase of metal products; increases the enforcement provisions found in Title 13 related to secondary metal recyclers; amends the record keeping requirements; imposes criminal penalties for possession of stolen property; places restrictions on the purchase of certain items.

Effective Date: August 1, 2012

Act 2012-427 (HB 286)

Owners of Subchapter K Entities, Alabama S Corporations, and Owners and Resident Beneficiaries of Estates or Trusts Provided a Proportionate Tax Credit for Taxes Paid to a Foreign Country

This act amends Sections 40-18-14 and 40-18-21; provides owners of certain pass-through entities, as well as resident beneficiaries of an estate or trust, with a credit equal to their proportionate share of certain income or gross profits taxes paid or accrued to other states or territories on behalf of owners, and a credit for 50% of income taxes paid or accrued to a foreign country with respect to the trade or business of investment income of such entity; requires the Department of Revenue to report annually to Legislature the extent to which credits for taxes paid to foreign countries are claimed during the preceding tax year; this act provides that taxpayers may recognize gains from any taxable disposition of all or any portion of assets or Subchapter K interests consistent with pre-act applications under Sections 40-18-14 and 40-18-21 where the parties can document that negotiations began prior to January 1, 2011; no penalty, including payments otherwise required under Section 40-18-80, shall be due or assessed for any underpayment of or failure to pay estimated income tax resulting from any retroactive application of the amendment in this act.

Effective Date: May 15, 2012

Amendments to Sections 40-18-14 and 40-18-21(a) apply to all tax years beginning after December 31, 2010. Amendments to Section 40-18-21(c) apply to all tax years beginning after December 31, 2011.

Act 2012-434 (HB 556)

Extends Prohibition against Permitting New Solid Waste Facilities

This act amends Act 2011-297, now appearing as Section 22-27-5.2; extends the prohibition against permitting new public solid waste landfill facilities until May 31, 2014; the moratorium period does not apply to industrial facilities receiving waste generated in-state only by the permittee.

Effective Date: May 15, 2012

Act 2012-436 (HB 599)

Alabama Tourism Destination Attraction Incentive Act

This act amends Sections 40-9B-3, 40-18-190 and 40-18-193; creates the Alabama Tourism Destination Attractions Incentive Act; allows the governing body of a municipality, county, or a public industrial authority to grant abatements of certain ad valorem and construction related transaction taxes to private users of tourism destination attractions for a period of up to 10 years and to enable tourism attractions to qualify for capital credits; tourism destination attraction projects that locate in favored geographic areas with at least \$5 million in capital costs, create at least 20 (full-time) jobs for new employees and pay those new employees a base wage requirement as set in the law can qualify for and receive the income tax capital credit; those projects that are not located in favored geographic areas must invest at least \$20 million, create at least 50 (full-time) jobs and meet the base wage requirements, the "tourism destination attraction" definition encompasses most attractions that provide cultural, historical, natural/man-made beauty, entertainment and amusement opportunities that are designed to attract in-state and out-of-state visitors but does not include facilities primarily devoted to recreational establishments (shopping centers, restaurants, movie theaters, etc.) that serve

the community; this act does not apply to any gaming facility; for qualifying industrial or research enterprises described in Section 40-9B-3 (a) (10) j, the approval of the abatement of a specified ad valorem tax or construction related tax levied or imposed by a county or municipality will take place only upon adoption of a resolution by the governing body of the county or municipality approving the abatement.

Effective Date: May 15, 2012

Act 2012-474 (SB 398)

Innocent Spouse Relief

This act amends Section 40-18-27 to conform to Federal law in regards to instances where taxpayers can seek relief from being jointly and severally liable for the income tax liability shown on a joint return; commonly referred to as "innocent spouse relief", the relief shall conform to Title 26 USC Sec. 6015(c) and 6015(f).

Effective Date: May 15, 2012

Act 2012-483 (HB 257)

Alabama New Markets Development Act

This act creates the Alabama New Markets Development Act; establishes state income, financial institution excise, and premium tax credits for investments in businesses in impoverished and low income communities pursuant to Section 45D of the Internal Revenue Code; the credits are transferable on the open market; any unused credit is available for carry forward (7 years) to future tax years; applications should be submitted to the Alabama Development Office with a \$5000 non-refundable fee; the Alabama Development Office may not certify more than \$20 million in credits during each tax year; the maximum investment qualifying for the credit is \$10 million per project.

Effective Date: August 1, 2012

Act 2012-486 (SB 393)

Jason Barfield Act

This act creates the Jason Barfield act; this bill allows residents an income tax exemption in the year declared deceased for any payment made by the U.S. Dept of Defense when the person was a member of the Armed Forces and was killed in action

in a designated combat zone; exempts any income earned by the spouse of the deceased service member in the year the individual is declared deceased; the normal statute of limitations for filing a petition for refund would not apply.

Effective Date: May 16, 2012. Retroactively effective to January 1, 2011.

Act 2012-491 (HB 658)

Beason-Hammon Alabama Taxpayer and Citizen Protection Act

This act amends Sections 3, 5, 6, 8, 9, 13, 20, 21, 24, 27, 29 and 30 of Act 2011-535, now appearing as sections 31-13-3, 31-13-5, 31-13-6, 31-13-8, 31-13-9, 31-13-13, 31-13-19, 31-13-20, 31-13-23, 31-13-26, 31-13-28, 31-13-29; amends Section 32-6-9 and 32-6-10.1; makes revisions to the Beason-Hammon Alabama Taxpayer and Citizen Protection Act; business entities or employers, to include contractors and subcontractors, or persons receiving a grant or incentive by the state or political subdivision must enroll in E-Verify and verify every employee that is required to be verified according to applicable federal rules and regulations relating to the hiring of unauthorized aliens; if the business entity does not comply, and upon a finding by a court of competent jurisdiction, the court shall direct the applicable state, county, or municipal governing bodies to suspend the business licenses, permits, articles of incorporation, articles of organization, or any other authorizing document of the business entity; requires the Attorney General to defend law enforcement officers under certain conditions; requires the Administrative Office of Courts to submit a quarterly report to the Alabama Department of Homeland Security summarizing the number of cases in which an unlawfully present person was detained by law enforcement and appeared in court for any violation of state law; requires the Department of Revenue to conduct annual searches of its records to determine if multiple individuals have filed tax returns under the same Social Security number or the same individual tax identification number and investigate the use of the Social Security numbers or individual tax

identification numbers; after a Social Security Number or individual tax identification number is determined to be stolen or misused, the Department of Revenue shall report the violation to the Attorney General or the appropriate district attorney.

Effective Date: May 18, 2012

Act 2012-494 (SB 216)

Person Must Present Proof of Actual Purchase Price when Presenting a Deed or Bill of Sale to Be Recorded with the Judge of Probate

This act amends Section 40-22-1; requires that a person presenting a deed, bill of sale, or other instrument conveying any real or personal property within this state or any interest in any property to the judge of probate for recording will present proof of the actual purchase price of property or actual value of the property; the Department of Revenue will develop a form which will be used for attesting to the actual value or actual purchase price of the property; if proof is not presented, the privilege or license tax will be based upon the assessed value of the property; the person failing to submit the required proof will be subject to a monetary penalty of \$100 or 25 percent of the privilege or license tax actually due, whichever is greater.

Effective Date: August 1, 2012

Act 2012-513 (HB 249)

Exempts Alabama Marine Corps League from State, County, Municipal Sales and Use Taxes

This act exempts the Alabama Marine Corps League from paying or collecting any state, county, and municipal sales and use taxes.

Effective Date: August 1, 2012

Act 2012-524 (HB 505)

Disaster Recovery Tax Incentive Protection Act of 2011

This act amends Act 2011-709, now appearing as Section 40-9B-13, entitled the Disaster Recovery Tax Incentive Protection Act of 2011; provides further protection of tax abatements in the event properties are

damaged or destroyed by natural disasters; defines "Disaster Replacement Property", "Governing Body", "Natural Disaster", and "Replaced Property"; tax abatements otherwise granted pursuant to this chapter will not be disqualified solely because the underlying transactions or property relate to the repair or replacement of property damaged by a natural disaster and not to new construction; expansion of abatement law applies to transactions entered into or property acquired after the tornado outbreaks of April 2011; ad valorem tax abatements in existence prior to the onset of a natural disaster shall not be disallowed because of an interruption of a qualifying business activity at the site; tax abatements on replaced property will apply to disaster replacement property obtained by a private user if: 1) the disaster replacement property is located at a different site than the replaced property, but not within the jurisdiction of a different governing body, so long as the cost of the disaster replacement property does not exceed the cost of the replaced property by more than 25 percent. The private user must provide written notice to the abatement granting authority, to the assessing official of the county where the property is located, and to the Department of Revenue of the change in location of the private use industrial property or the disaster replacement property no later than the first October 1 following the effective date of this act or the first October 1 following the change in location of the property, whichever is later. The user will also file the appropriate tax returns on October 1 of that year and each year thereafter, as required by law, 2) where the disaster replacement property is located within the jurisdiction of a governing body different from the replaced property, then the private user must obtain approval from the appropriate governing body for the continuation of the ad valorem tax abatement, in accordance with Sections 40-9B-5 and 40-9B-6, 3) if the cost of the disaster replacement exceeds the cost of the replaced property by more than 25 percent, then the private user will obtain governing body approval under the

procedures outlined in Sections 40-9B-5 and 40-9B-6 for the abatement of any taxes on the investment amount of the investment that is greater than 25 percent more than the cost of the replaced property; no new approval is required on the amount of the new investment not greater than 25 percent more than the cost of the replaced property, if no new governing body is affected by the continuation of the tax abatements.

Effective Date: May 22, 2012. Retroactively effective on April 15, 2011.

Act 2012-533 (HB 638)

Expedited Issuance of Professional Licenses and Certificates for Spouses of Active Duty Military Personnel and Acknowledgement of Certain Licenses Obtained in Other Jurisdictions

This act expedites the issuance of professional licenses and certificates for spouses of active military personnel; acknowledges licenses obtained in other jurisdictions; does not apply to the practice of law or the regulation of attorneys; applies to any board, agency, commission, or other entity providing professional licenses or certificates, or both, for the purpose of employment in Alabama; applies to individuals who are: 1) married to and living with an active duty member of the United States Armed Forces who is relocated to and stationed in Alabama under official military orders, 2) have not committed or participated in an act that would constitute grounds for refusal, suspension or revocation of a professional license or certificate, 3) have not been disciplined by an authorized entity or under investigation in relation to a professional license or certificate, 4) has paid any required fee and submitted to any required background check by an authorized board, commission, or agency in Alabama; the professional license or certificate would be expeditiously issued based on the spouse having a current license or certificate which was obtained in other jurisdictions or states with greater or substantially similar licensing requirements as those required of the board, commission or agency in Alabama.

Effective Date: August 1, 2012

Act 2012-536 (HB 696)

Levies an Additional Monthly Surcharge Due with Each Monthly Payment of Supplemental Privilege Assessment on Nursing Facilities

This act amends Sections 40-26B-21, 40-26B-22 and 40-26B-26, as amended by Act 2011-614; levies an additional monthly surcharge beginning May 20, 2012, and ending August 31, 2013, to be due with each payment of the supplemental privilege assessment; initial monthly surcharge will be reduced September 20, 2012 until August 31, 2013; nursing facilities must remit the additional monthly surcharge per licensed bed per month; the surcharge will affect 16 months (periods for April 2012 through August 2013); the initial surcharge in the amount of \$131.25 will be required for the first 4 months and applies to tax returns filed for the periods of April 2012 through July 2012; reduces the additional monthly surcharge per licensed bed per month on nursing facilities beginning September 20, 2012, until August 31, 2013; beginning with the monthly payment of the supplemental privilege assessment due on September 20, 2012, the monthly surcharge decreases to \$43.75 per licensed bed per month; the surcharge applies to tax returns filed for the periods of August 2012 through August 31, 2013.

Effective Date: May 22, 2012

Act 2012-543 (HB 187)

Income Tax Refund Check-Off for Alabama Association of Rescue Squads

This act provides for a voluntary contribution to the Alabama Association of Rescue Squads made by check-off on annual income tax returns; a minimum annual contribution of \$2 may be voluntarily contributed.

Effective Date: August 1, 2012

Act 2012-544 (HB 185)

Sales and Use Tax Exemption and Ad Valorem Tax Exemption for the Alabama Association of Volunteer Fire Departments, County Volunteer Fire Associations, the Alabama Association of Rescue Squads and Its County Volunteer Members, and All Local Fire Districts Not Under Their County Commission

This act exempts the Alabama Association of Volunteer Fire Departments, county volunteer fire associations, the Alabama Association of Rescue Squads, Incorporated, all volunteer rescue squads that are members of the Alabama Association of Rescue Squads, all county volunteer rescue associations, all local fire districts that are not under the auspices of their county commission from any state, county, and local sales and use taxes and ad valorem taxes.

Effective Date: August 1, 2012

Act 2012-561 (HB 213)

Certain Financial Entities Not Required to Be Licensed as Used Motor Vehicle Dealers

This act amends Section 40-12-390; specifies that the term "used motor vehicle dealer" does not include credit unions or licensees of the State Banking Department and finance companies which acquire motor vehicles as an incident to their regular business, and does not include motor vehicle rental and leasing companies.

Effective Date: May 23, 2012

Local Revenue Related Acts

2012 Regular Session

Act 2012-82 (HB 125)

Installation and Maintenance of Improved System for Recording, Archiving and Retrieving Documents Affecting Property Titles in Montgomery County

This act repeals Act 1965-591; facilitates the use of public records in

property transactions in Montgomery County by providing for the installation of an improved system of recording, archiving, and retrieving instruments and documents affecting the title to real and personal property and other documents recorded in the office of the judge of probate; provides for the collection and disposition of a special recording fee of \$5.00; provides that the system shall constitute official and permanent records in Montgomery County.

Effective Date: June 1, 2012

Act 2012-165 (HB 51)

Commissioner of Licenses in Morgan County May Collect a Voluntary Contribution for the Issuance/Renewal of a Boat Registration

This act provides for the commissioner of licenses in Morgan County to collect a voluntary contribution for distribution to the Morgan County Rescue Squad upon the issuance or renewal of a boat registration in the county.

Effective Date: July 1, 2012

Act 2012-196 (HB 498)

Authorizes Cities in Jefferson County to Designate City License Issuing Official

This act authorizes the mayor of any city in Jefferson County to designate a city officer or employee to process the renewal of motor vehicle license plates for motor vehicles; the city shall be audited by the Examiners of Public Accounts; requires city license plate issuing official and his or her employees to be bonded by a bonding company.

Effective Date: January 1, 2013

Act 2012-206 (HB 476)

Distribution of Additional TVA Payments in Marshall County

This act amends Section 1 of Act 2011-527; provides for the distribution of additional TVA in-lieu-of-taxes payments received by Marshall County pursuant to Act 2010-135 to school systems in the county for payments to teachers achieving National Board Certification.

Effective Date: April 17, 2012

Act 2012-226 (SB 187)

Franklin County; Duties/Responsibilities/Liabilities Regarding Real Property Sales for Failure to Pay Taxes and Subsequent Redemptions Transferred to Revenue Commissioner

This act provides that all duties, responsibilities, and liabilities regarding real estate sales for failure to pay taxes and subsequent redemptions be transferred from the Franklin County Judge of Probate to the Franklin County Revenue Commissioner.

Effective Date: July 1, 2012

Act 2012-233 (SB 466)

Authorizes the Talladega County Commission to Levy a Lodging Tax

This act amends Section 2 of Act 2008-494; authorizes the Talladega County Commission to levy a lodging tax in the amount of two percent of the charge for the rooms, lodgings, or accommodations, including the charge for use or rental of personal property and services furnished in the room; does not apply to rooms, lodgings, or accommodations supplied for a period of 30 continuous days or more in any place; campgrounds in the county are exempted from the tax.

Effective Date: April 24, 2012

Act 2012-240 (HB 483)

Distribution of TVA Payments in Limestone County

This act amends Section 1 of Act No. 79-501; provides for the further distribution of certain TVA payments to Limestone County Board of Education and Athens City Board of Education.

Effective Date: April 24, 2012

Act 2012-241 (HB 507)

Installation and Maintenance of Improved System for Recording, Archiving and Retrieving Documents Affecting Property Titles in Monroe County

This act facilitates the use of public records in property transactions in Monroe County by providing for the installation of an improved system of recording, archiving, and retrieving instruments and documents

affecting the title to real and personal property and other documents recorded in the office of the judge of probate; provides for the collection and disposition of a special recording and filing fee of \$5.00; a special transaction fee of \$3 shall be paid to and collected by the judge of probate on any transaction, at the discretion of the judge of probate; provides that the system shall constitute official and permanent records in Monroe County.

Effective Date: July 1, 2012

Act 2012-281 (SB 474)

Authorizes Barbour County Commission to Levy Additional Sales, Use, and Amusement Tax

This act authorizes the Barbour County Commission to levy an additional sales, use, and amusement tax; provides for the collection, distribution, and use of the proceeds of the tax; prescribes penalties and fixes punishment for violation of the act; after a public hearing, the county commission, by recorded majority, may levy a sales, use, and amusement tax of not more than one-half cent (\$0.005); gives non-state third party administrator the same authority and power as the Department of Revenue in tax collection; in addition to the normal administration fees given to Revenue (up to 5% of gross collections), the administrator can bill the locality directly for any special counsel fees incurred in the tax collection effort; Revenue may employ special counsel as is necessary to enforce collection of the tax and to enforce this act; Revenue or other entity shall pay the special counsel any fees it deems necessary and proper from the proceeds of the tax collected by it for Barbour County

Effective Date: May 3, 2012

Act 2012-301 (SB 473)

Increases Barbour County Board of Education School Tax District No. 1 Ad Valorem Tax

This act increases the Barbour County Board of Education School Tax District No. 1 Ad Valorem tax by four mills to be used for school purposes; increased tax to be levied and collected in the School District

No. 1 for each year beginning with the levy for the tax year October 1, 2012, to September 30, 2013, and ending with the levy for the tax year October 1, 2042, to September 30, 2043; tax to be levied after first submitted to the vote of the qualified electors in School District No. 1.

Effective Date: May 9, 2012. Contingent upon majority of voter approval in the Barbour County Board of Education School Tax District No. 1.

Act 2012-308 (HB 404)

Prohibits any Municipality Located Entirely Outside of Lawrence County from Imposing Taxes

This act proposes a local constitutional amendment relating to Lawrence County, to prohibit any municipality located entirely outside of Lawrence County from imposing any municipal ordinance or regulation, including, but not limited to, any tax, zoning, planning, or sanitation regulations, and any inspection service in its police jurisdiction located in Lawrence County; a municipality prohibited from imposing any tax or regulation under this amendment shall not provide any regulatory function or police or fire protection services in its police jurisdiction located in Lawrence County, other than public safety mutual aid.

Effective Date: Constitutional Amendment; contingent upon voter approval

Act 2012-325 (HB 572)

State Revenue Commissioner Responsible for Ensuring Property in Russell County is Appraised, Mapped, and Valued in Accordance with Law

This act amends Sections 2 and 3 of Act 343 of the 1976 Regular Session; clarifies that the State Revenue Commissioner is responsible for prescribing functions, duties, and responsibilities in Russell County to ensure that property is appraised, mapped, and valued in accordance with law; the county revenue commissioner is responsible for collecting the cost of the appraisal and mapping program from the various agencies that receive ad valorem tax revenues.

Effective Date: May 10, 2012

Act 2012-337 (SB 476)

Distribution of Tobacco Payments in Clay County

This act amends Sections 45-14-244.02 and 45-14-244.05; adds new Section 45-14-244.04; further provides for the distribution of tobacco payments in Clay County; re-establishes the District Community Service Office servicing Clay, Chambers, and Randolph Counties; statutorily allows Clay County to self-collect or contract with other entities, including the Department of Revenue, to collect its tobacco taxes; changes the distribution of proceeds collected for Clay County.

Effective Date: July 1, 2012

Act 2012-338 (SB 487)

Distribution of Tobacco Tax in Chambers County

This act amends Section 45-9-244; provides further for the distribution of the tobacco tax in Chamber County; re-establishes the District Community Service Office servicing Clay, Chambers, and Randolph Counties; statutorily allows Chambers County to self-collect or contract with other entities, including the Department of Revenue, to collect its tobacco taxes the proceeds from the tax, less two percent of the actual cost of collection, will be distributed to the Chambers County General Fund.

Effective Date: July 1, 2012

Act 2012-339 (SB 486)

Distribution of Tobacco Tax in Randolph County

This act amends Sections 3 and 6 of Act 2003-213 and reenacts Section 5 of Act 2003-213; provides for the distribution of the tobacco tax; re-establishes the District Community Service Office servicing Clay, Chambers, and Randolph Counties; statutorily allows Randolph County to self-collect or contract with other entities, including the Department of Revenue, to collect its tobacco taxes the proceeds from the tax; the proceeds from the tax, less two percent of the actual amount of collection, shall be distributed to the Randolph County General Fund.

Effective Date: July 1, 2012

Act 2012-365 (HB 574)

Authorizes a Mail Order Fee for Renewal of Business Licenses by Mail in Russell County

This act authorizes the Russell County Commission to establish an additional fee to be entitled "Mail Order Fee" to off-set the costs or mailing or overhead relating to business license renewals; the fee will be collected by the judge of probate at the time of renewal and paid over to the county general fund.

Effective Date: August 1, 2012

Act 2012-408 (SB 45)

Persons Absent from the State on Military Duty, Mission Assignment, or Similar Purpose Must Designate a Place of Residence in the State

This act authorizes persons absent from the state on military duty, mission assignment, or other similar purposes to designate a place of residence in the state by filing a notarized declaration of residence with the judge probate of the county where the designated place of residence is located; specifies that the designation would not be effective for the purpose of voter registration or qualification for elected office; filing of a declaration of residence does not establish permanent residence for the person filing the declaration for either purposes of eligibility for the Alabama G.I and Dependents' Educational Benefit Act or for purposes of qualifying for in-state tuition rates at a state-supported institution of higher education, unless the person filed a personal income tax return with the state or would have been required to file a personal income tax return if the person had a tax liability.

Effective Date: August 1, 2012

Act 2012-411 (SB 205)

Restricts Public Housing Authorities in Certain Class 3 Municipalities from Exercising Power of Eminent Domain Except with the Approval of the Municipality's Governing Body

This act amends Section 24-1-28; requires municipal public housing authority in Class 3 municipalities, except Class 3

municipalities organized under Act 618 of the 1973 Regular Session, to obtain approval of the governing body of the municipality before exercising their power of eminent domain; also requires the housing authority to notify surrounding property owners prior to the purchase of property for public housing purposes by publishing the notice in a newspaper of general circulation in the municipality for a period of three consecutive weeks prior to execution of any binding agreement to purchase the property.

Effective Date: August 1, 2012

Act 2012-417 (SB 471)

Establishes the Florence/Lauderdale Tourism Board and Changes the Distribution of Lodging Tax Collections in Lauderdale County

This act amends Section 7 of Act 86-441; establishes the Florence/Lauderdale Tourism Board; changes the distribution of Lauderdale County lodging tax collections; 75% of net proceeds will be distributed to the Florence/Lauderdale Tourism board and 25% will be distributed to the municipality where the lodging is located; provides for distribution of the revenue by the Alabama Department of Revenue.

Effective Date: May 15, 2012

Act 2012-418 (SB 504)

Increases "General Purpose Tax" in the City of Madison

This act approves a proposed increase in the maximum rate of the ad valorem tax in the City of Madison called the "General Purpose Tax" from 18 mills to 24 mills of taxable property; provides for a referendum; provides that the city may make the proposed increase effective beginning with the levy for the tax year beginning October 1, 2012; provides for the use and expenditure of revenues derived by Madison from the proposed tax rate increase.

Effective Date: Constitutional Amendment; contingent upon voter approval

Act 2012-421 (SB 563)

Distribution of TVA Payments in Jackson County

This act amends and reenacts Section 1 of Act 79-473; provides for the appropriation of funds received by Jackson County from payments made in lieu of taxes by the Tennessee Valley Authority; repeals Act 2011-611 and Act 2011-654.

Effective Date: December 1, 2012

Act 2012-422 (SB 564)

Authorizes Greene County Commission to Levy Additional Ad Valorem Tax

This act authorizes the Greene County Commission to levy an additional ad valorem tax of three mills on each dollar of taxable property and provides for a referendum.

Effective Date: Constitutional Amendment; contingent upon voter approval

Act 2012-442 (HB 552)

Distribution of Lodging Tax Proceeds in Madison County to U.S. Space and Rocket Center Foundation

This act amends Sections 3 and 4 of Act 2004-418; provides that the county lodging tax proceeds are distributed to the U.S. Space and Rocket Center Foundation; the tax terminates on September 30, 2022.

Effective Date: May 16, 2012

Act 2012-446 (HB 636)

Issuance Fee Levied for Each Motor Vehicle Tag Issued in Marengo County

This act authorizes the Marengo County Commission to impose an issuance fee, not to exceed \$5.00, to be levied and collected annually for each motor vehicle tag issued in the county; provides that the proceeds shall be used to supply resources to the Marengo County Economic Development Authority and for improvements to the Marengo County road systems; provides an exemption from payment of issuance fee to any person 65 or older; the act will be repealed on October 1, 2022.

Effective Date: October 1, 2012

Act 2012-447 (HB 665)

Provides Penalties for Failure to Collect the Tax Levied on Tobacco Products in Blount County

This act amends Section 45-5-244; provides penalties for the failure to collect the tax levied on tobacco products in Blount County.

Effective Date: August 1, 2012

Act 2012-453 (HB 752)

Distribution of Severed Material Severance Tax in Franklin County

This act provides for the distribution of severed material severance tax funds remitted to Franklin County for economic development, funds will be distributed to the Franklin County Development Authority and used exclusively for economic development.

Effective Date: May 16, 2012

Act 2012-454 (HB 756)

Additional Ad Valorem Tax Levy in Greene County

This act authorizes the Greene County Commission to levy an additional ad valorem tax of three mills on each dollar of taxable property; provides for a referendum; revenues received from tax will be paid to the county general fund for educational purposes.

Effective Date: Constitutional Amendment; contingent upon voter approval

Act 2012-457 (HB 771)

Distribution of Tobacco Tax in Talladega County

This act amends Section 7 of Act 90-424; provides for an additional county tobacco tax; proceeds from the tax, less the cost of collection, will be paid by the Department of Revenue to the Talladega County Commission; a portion of the proceeds will be distributed to the Talladega County Volunteer Program.

Effective Date: May 16, 2012

Act 2012-480 (SB 572)

Distribution of TVA Payments in Marshall County

This act amends Section 1 of Act 86-

564; provides further for distribution of Marshall County's share of in-lieu-of-taxes TVA payments.

Effective Date: August 1, 2012

Act 2012-481 (HB 741)

Winston County Judge of Probate to be Compensated on Salary Basis; One-Stop Issuance of Motor Vehicle License Plates by Judge of Probate

This act provides for the judge of probate in Winston County to be compensated on a salary basis; provides for the one-stop issuance of motor vehicle license plates by the county judge of probate; fees will be remitted to the county general fund; provides that the judge of probate will perform all duties relating to the issuance of motor license plates in the county; provides that the judge of probate will perform the duties relating to the assessment and collection of ad valorem taxes on motor vehicles.

Effective Date: Constitutional Amendment; contingent upon voter approval. If ratified, the act will become effective at the beginning of the next term of office of the judge of probate.

Act 2012-488 (HB 748)

Levies an Additional One Percent Sales and Use Tax on Certain Items and an Additional One-Half of One Percent on Certain Other Items in Baldwin County

This act authorizes the Baldwin County Commission to levy an additional one percent sales and use tax on certain items and one-half of one percent on certain other items; distributes the proceeds to any local boards of education in the county in accordance with state law; the tax expires five years from June 1, 2013, unless renewed; prescribes penalties and punishment for violation of the amendment; provides for exemptions from the sales and use tax; tax may be collected either by the county commission or by any person, firm, or corporation that the commission may contract to collect the tax.

Effective Date: Constitutional Amendment; contingent upon voter approval.

Act 2012-517 (HB 352)

Authorizes Class 3 Municipalities to File Expedited Quiet Title and Foreclosure Action

This act authorizes Class 3 municipalities to file an expedited quiet title and foreclosure action in circuit court to establish clear title to tax sale properties acquired from the State Land Commissioner pursuant to Chapter 10 of Title 40.

Effective Date: May 22, 2012

Act 2012-541 (HB 776)

Authorizes Geneva County Commission to Levy a One Percent Sales Tax

This act authorizes the Geneva County Commission to levy a one percent sales tax, subject to a referendum, for constructing and maintaining a jail; the tax will be collected by the Department of Revenue, the county commission, or other entity the county has contracted to collect the tax; excess proceeds will go to road and bridge projects and resource officers for schools.

Effective Date: Constitutional Amendment; contingent upon voter approval

Act 2012-547 (HB 685)

Installation and Maintenance of Improved System for Recording, Archiving and Retrieving Documents Affecting Property Titles in Jefferson County

This act facilitates the use of public records in property transactions in Jefferson County by providing for the installation of an improved system of indexing, recording, archiving, and retrieving instruments and documents affecting the title to real and personal property and other documents recorded in the office of the judge of probate; beginning June 1, 2012, a special indexing and filing fee of \$11 will be paid to and collected by the judge of probate.

Effective Date: May 23, 2012

General Revenue Related Acts

2012 First Special Session

Act 2012-599 (HB 13)

Distribution of Remote Use Taxes; 75% of Future Collections to General Fund

This act amends Sections 40-23-60, 40-23-85 and 40-23-174, and repeals Section 40-23-150; provides a definition for Remote Use Tax in Section 40-23-60 and changes the distribution of use taxes in Section 40-23-85 so that after the distribution of the 2% tax on gross proceeds from the sales of automotive vehicles and other distributions provided in Section 40-23-85, 75% of future collections from remote sellers and 25% of all current use taxes will be deposited into the General Fund; an amount sufficient to fund the Children's Health Insurance Program (CHIP) will be distributed annually as a first charge against the amounts allocated to the General Fund under Section 40-23-85; the legislative intent is that all amounts collected on transactions involving a seller located outside the state when the property is shipped or transported from outside the state will be considered use tax for the purpose of distribution, regardless of whether the taxes are considered sales taxes for other purposes.

Effective Date: October 1, 2012

Act 2012-600 (HB 25)

Makes Appropriations from Children First Trust Fund and Tobacco Settlement Funds for Fiscal Year Ending September 30, 2013

This act appropriates, according to Section 41-15B-2.2, the sum of \$35,990,322 in tobacco tax revenues from the Children First Trust Fund (CFTF) to various agencies for the fiscal year ending September 30, 2013; appropriates the sum of \$48,523,192 from additional tobacco settlement funds to various agencies for the fiscal year ending September 30, 2013.

Effective Date: May 24, 2012

Tax Calendar

Required Monthly Returns Tax Activity

- 10th** ● Tobacco use tax return and payment due.
● Monthly Jenkins Act Report

- 15th** ● Motor carrier mileage tax return and payment due.
● Oil and gas production tax and privilege tax return and payment due the second month following the month of production.
● Withholding return and payment due from those employers required to remit on a monthly basis.

- 20th** ● Coal severance tax return and payment due.
● Coal transporters' and purchasers' returns due.
● Contractors gross receipts tax return and payment due.
● Iron ore severance tax return and payment due.
● Local solid minerals tax returns and payments due.
● Lodgings tax (state and local) return and payment due.
● Lubricating oils tax return and payment due.
● Medicaid-related tax return and payment due for nursing facilities.
● Medicaid tax return and payment due from pharmaceutical service providers.
● Mobile Telecommunication services tax return and payment due.
● Pari-mutuel pool tax return and payment due.
● Prepaid Wireless 9-1-1 Charge return and payment due.
● Rental or leasing tax (state and local) return and payment due.
● Sales tax (state and local) return and payment due.
● Schedule D (NPM Cigarette Activity) report due.
● Tobacco tax (state and county) return, reports and payment due.
● Underground and aboveground storage tank trust fund charge due.
● Uniform Natural Minerals Tax return and payment due.
● Scrap Tire Environmental Fee return and payment due.
● Use tax (state and local) return and payment due.
● Utility gross receipts tax return and payment due.

- 22nd** ● Blender return and payment due.
● Exporter return due.
● Importer return due.
● Supplier/Permissive Supplier return and payment due.

- 30th** ● Hazardous waste fee return and payment due.

Last day of month ● State horse wagering fee return and payment due.

- Terminal Operator return due.
- Transporter return due.

Quarterly/Annual Tax Activity

(Oct., Nov., Dec. 2012/Jan. and Feb. 2013)

Oct.

- 1** ● Property tax on real and personal property due.
● Automotive dismantlers and parts recyclers' license due.
● Business privilege license fee due.
● Quarterly Dry Cleaning Trust Fund Fee return and payment due.
● Manufactured home registration and fee due.
● Motor fuel identification markers issued.
● Motor vehicle dealers, reconditioners, rebuilders and wholesalers' license tax due.
● Note: Effective Oct. 1, 2003, dealer license plates and manufacturer license plates will be issued through county license plate issuing officials.
● Store and chain store license tax due.
● Utility license (2.2%) return and first quarterly payment due.
- 10** ● Quarterly Hospital Assessment for Medicaid Tax due.
- 14** ● Annual wholesale oil/import license return and payment due.
- 20** ● Quarterly sales tax return and payment due.
● Quarterly use tax return and payment due.
● Quarterly rental or leasing tax return and payment due.
● Quarterly Solid Waste Disposal fee return and payment due.
- 30** ● Quarterly forest products' severance tax return and payment due.
- 31** ● Quarterly NPM payment due into escrow.

(Continued on Page 21)

Reminder: Items Used for Diabetes Treatment Exempt from Sales and Use Tax

The Alabama Department of Revenue (ADOR) recently notified business taxpayers who sell prescribed diabetic supplies that effective Aug. 1, 2012, these products and supplies are exempt from state and local sales and use tax taxes.

Act 2012-309, passed by the Alabama Legislature, specifically exempts the following from state and local sales and use taxes when sold pursuant to a valid prescription: insulin and insulin syringes, any equipment, supplies, devices, chemical reagents, and any related items that may be used by a diabetic to treat diabetes or to test or monitor blood or urine.

The ADOR also reminded sellers of such products and supplies that Act 2012-309 applies retroactively to all open tax periods and to all periods to which a tax assessment could be entered. The department advised, however, that according to Act 2012-309, the retroactive provision does not extend to refunds.

In its notice to taxpayers, the ADOR also noted that insulin was already exempt from state and local sales and use taxes under a separate state tax code provision, which exempts prescription drugs from tax.

For more information concerning this new sales and use tax exemption, taxpayers may contact the department's Sales and Use Tax Division at 334.242.1490 or visit the department's Web site at www.revenue.alabama.gov.

View a copy of Act 2012-309 and the Alabama Department of Revenue's Notice to Taxpayers.

Quarterly/Annual Tax Activity

(Continued from Page 20)

- Quarterly withholding return and payment due from employer.
- Quarterly IFTA tax return and payment due.
- Annual business privilege licenses delinquent after this date.
- Store and chain store licenses delinquent after this date.
- Quarterly Construction Employer Fee due.

Nov.

- 10 • Quarterly NPM certification and bank verification due.

- 30 • Last day to register and pay fee for manufactured homes without penalty.

Dec.

- 15 • Fourth installment of estimated corporate income tax due (for calendar-year taxpayers).

- 31 • Property tax on real and personal property delinquent after this date.
- Property tax assessments delinquent after this date.
 - Expiration of the previous calendar year's motor fuel identification markers.
 - Last day to claim exemptions/abatements on property tax assessments.
 - Expiration of the previous calendar year's motor fuel identification markers.

2013

Jan.

- 1 • Quarterly Dry Cleaning Trust Fund Fee return and payment due.
- Utility license (2.2%) second quarterly payment due.

10

- Quarterly Hospital Assessment for Medicaid Tax due.
- Note:** Act 2011-615 changed the due date of the quarterly Hospital Assessments to the tenth working day of each quarter, effective Fiscal Years 2012 and 2013.

15

- Fourth installment of estimated personal income tax due.

20

- Quarterly sales tax return and payment due.
- Annual sales tax return and payment due.
- Quarterly use tax return and payment due.
- Annual use tax return and payment due.
- Quarterly rental or leasing tax return and payment due.
- Annual rental or leasing tax return and payment due.
- Quarterly Solid Waste Disposal Fee return and payment due.

30

- Quarterly forest products' severance tax return and payment due.

31

- Quarterly withholding return and payment due from employer.
- Quarterly Construction Employer Fee due.
- Quarterly IFTA tax return and payment due.
- Quarterly NPM payment due into escrow.
- Annual Terminal Operator return and/or payment due.

Feb.

10

- Quarterly NPM certification and bank verification due.

28

- Annual withholding return due.