

Alabama Department of Revenue

News Release
Oct. 19, 2001

October Marks License Renewal for Scrap Tire Handlers: *Changes in Delinquent Penalty Amounts—\$500 Penalty Refund Deadline, Nov. 27*

MONTGOMERY—The month of October marks the annual license renewal period for scrap tire handlers, and this license year brings some important changes for license holders, according to the Alabama Department of Revenue.

Act 2001-976, passed during the recent Third Special Session of the Alabama Legislature, amends portions of the 1999 scrap tire handlers' licensing law, relating to certain penalty provisions and licensing requirements. Act 2001-976 also establishes a 60-day refund period for license holders to apply for refunds of any \$500 delinquent penalties paid under previous license years.

The scrap tire handlers' licensing requirement includes a variety of business operations such as retail tire dealerships, service stations, garages, scrap tire collection facilities, landfills which accept scrap tires, tire recycling facilities, fleet vehicle operators/fleet tire receivers, and anyone involved in the business of transporting scrap tires for delivery to a collection or landfill facility.

The scrap tire handlers' license is issued at the county level, usually by the probate judge or county license commissioner. In addition to licensing requirements, certain scrap tire handlers are required to meet bonding requirements. Proof of the bond is required when applying for the license.

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The license expires September 30 of each year and must be renewed before November 1 each year. After Oct. 31, 2001, anyone purchasing a scrap tire handlers' license is subject to a delinquent penalty.

Individuals or businesses failing to purchase a license before November 1 will be subject to a \$25 delinquent penalty if the license is purchased within 35 calendar days or less following the October 31 deadline. After 35 days, the delinquent penalty is increased to \$150 for failure to purchase a license. Note that the graduated \$25 and \$150 delinquent penalties replaced the previous \$500 delinquent penalty, effective Sept. 28, 2001.

Act 2001-976, which lowered the \$500 delinquent penalty amount, also provides for refunds of the previous \$500 delinquent penalty and sets a timeframe in which to apply for the refund. **Individuals or businesses that paid the previous \$500 delinquent penalty will be reimbursed if they request the refund by Nov. 27, 2001.** In early October, the Alabama Department of Revenue mailed notices to all known license holders who paid the \$500 delinquent penalty and informed them of refund procedures.

Anyone who paid the \$500 penalty but did not receive the \$500 refund penalty notice from the department should immediately contact the Alabama Department of Revenue, Sales, Use and Business Tax Division at P.O. Box 327550, Montgomery, AL 36132-7550, or telephone (334) 353-7827. After Nov. 27, 2001, refund applications cannot be accepted.

Other important provisions of Act 2001-976 include:

- Reducing the cost of additional transporter decals for each vehicle from \$15 to \$1.50. The cost of the decal for the first vehicle remains at \$37.50.
- Requiring only one license fee for each business location. If a business operates as a receiver and a transporter from the same location, only one \$37.50 license fee is charged. The license, however, must reflect that the business operates as both a receiver and a transporter of scrap tires.

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- No longer requiring transporters of scrap tires to provide certain vehicle information cited under Section 22-40-2(g)(6), as that particular section of the scrap tire handlers' law has been repealed.
- Designating the Alabama Department of Public Health to determine bonding requirements for all scrap tire transporters and collection facilities, specifying the minimum bonding amount to equal at least \$10,000.

For more information concerning license renewal procedures, business owners should contact the appropriate county license-issuing authority, who is usually the probate judge or license commissioner of the county where the business activity is conducted, or contact the Alabama Department of Revenue, Sales, Use and Business Tax Division at (334) 353-7827. License information may also be obtained from the department's Web site at **www.ador.state.al.us**.

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