

810-2-8-.07 Definition of Homeowners Association for Purposes of Administering the Alabama Business Privilege Tax Law.

(1) For purposes of administering the Alabama business privilege tax law levied by §40-14A-22, Code of Alabama 1975, effective with business privilege taxable years beginning on or after January 1, 2009, and business privilege tax determination periods beginning on or after January 1, 2008:

(a) Entities which are formed by restrictive covenant or a declaration of restrictions by the owners of real property in a defined area which are united as a nonprofit association to improve or maintain the area's quality will be presumed to be exempt from the Alabama business privilege tax as "homeowners associations" referred to in §40-14A-43, Code of Alabama 1975.

(b) The not-for-profit corporations referred to as "property owners' associations" in §40-14A-22, Code of Alabama 1975, will be treated as "homeowners associations," as referred to in §40-14A-43, and will be exempt from the Alabama business privilege tax.

(c) A unit owners' association organized under the Alabama Uniform Condominium Act will be treated as a homeowners association in accordance with §40-14A-43, if the association is a nonprofit entity.

(d) For-profit entities are not presumed to be homeowners associations for purposes of the Alabama business privilege tax exemption provided for in §40-14A-43, Code of Alabama 1975.

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Authority: §§ 40-2A-7(a)(5), 40-14A-22 and 40-14A-43, Code of Alabama 1975

History: New rule: Filed August 20, 2009, effective September 24, 2009.