GENERAL SUMMARY OF STATE TAXES 2018
The Alabama Department of Revenue is an Affirmative Action/Equal Opportunity Employer.

Equal Employment Opportunity Policy
It is the intent of the Alabama Department of Revenue to maintain a work environment that is free from discrimination against qualified individuals because of race, color, sex, religion, national origin, age, genetic information or disability. This department is committed to providing equal employment opportunity for all.
Alabama Department of Revenue
General Summary of State Taxes

Vernon Barnett
Commissioner
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Introduction

The General Summary of State Taxes is published by the Alabama Department of Revenue to provide a concise handbook about the revenue sources -- taxes or fees -- currently available to the state of Alabama. The publication is divided into three sections.

The General Information section features information about the department, including a brief history of the department and a brief description its statutory duties and responsibilities. This section also includes information about some of the services and resources available to taxpayers through the department’s website, descriptions of the various service units within the department, and useful contact information.

The Tax Information section provides concise information about the taxes and fees administered by the department, including the related statutory or constitutional authority for the tax or fee; its basis and rate, related exemptions, and filing and payment due dates; and the required distribution of the proceeds from the tax or fee. This information is current through the 2018 Regular Session of the Alabama Legislature.

The Revenue Legislation Section contains legislative changes made during the 2018 Regular Session.

Inquiries about this publication may be directed to the department’s Tax Policy and Governmental Affairs Division at 334-242-1380.

Department’s Mission Statement

The Alabama Department of Revenue will efficiently and effectively administer the revenue laws in an equitable, courteous, and professional manner to fund governmental services for the citizens of Alabama.
General Information

Revenue Department Website

The department maintains a website to provide quick and easy access to a variety of state and local tax information including printable tax forms and publications, news and statistics, legal rulings and opinions, tax policy, electronic filing services, and taxpayer assistance information. The department’s website address is www.revenue.alabama.gov.

The department provides taxpayers access to account information through its My Alabama Taxes (MAT) portal. Taxpayers can register to view their accounts online. Taxpayers can also file and pay certain business taxes and print copies of their tax returns and letters. Taxpayers can access MAT by visiting the department’s home page and selecting the available link or by going to www.myalabamataxes.alabama.gov.

Income Tax Refund Inquiry

Taxpayers can check the status of a refund from their iPhone or Android device by downloading the free My AL Refund app from the Apple App Store or Google Play.

Taxpayers’ Bill of Rights, Uniform Revenue Procedures Act, and Taxpayer Assistant Officer

The Taxpayers Bill of Rights, Sections 40-2A-1 et. seq., Code of Alabama 1975, guarantees taxpayers certain rights to uniform application and due process of Alabama’s tax laws. It integrates, in a logical sequence, all these procedures and provisions into one chapter of the Alabama tax code and provides for a Taxpayer Assistant Officer to resolve certain taxpayer matters.
Historical Outline

The current revenue system of the state of Alabama has evolved through a series of legislative enactments dating back to the early 1900s.

One of the earliest revenue organizations was the State Board of Assessment. Composed of the governor, secretary of state, state auditor, and state treasurer, the board was responsible for assessing tangible property of public utilities and public service corporations.

A legislative act of 1898-99 provided for the Office of State Tax Commissioner, whose duties were to “aid revenue officers in the state in the collection of escaped, delinquent, back taxes and licenses, in discovering and prosecuting by civil and criminal penalties and costs all evasions or violations of the revenue laws of this state, and in the perfecting of all tax titles made under laws of this state.”

A major organizational change took place in 1915 with the dissolution of the State Board of Assessment and the creation of a State Board of Equalization. This board, which assumed the duties of the State Tax Commission (created in 1907 to directly assess the intangible property of public utilities), was required to assess all tangible and intangible property of public utilities and public service corporations.

The State Board of Equalization lasted until 1919, when the State Tax Commission was re-created. It was at that time that the first attempt was made to undertake the task of direct tax collection. Although an income tax law was passed, the Supreme Court of Alabama declared the tax unconstitutional.

Also, significant in 1919 was the passage of the General Revenue Act, which authorized the State Tax Commission to issue tags to motor vehicle dealers, issue replacement tags, and collect charges for those services. The Office of Tax Adjuster was created as part of this act, but was abolished several years later.

A second Revenue Act, passed in 1923, gave the State Tax Commission the power to directly assess the shares of domestic corporations. During this year, the first of a series of taxes on gasoline was levied.

The next few years brought additional duties to the State Tax Commission with the levying and direct collection of various taxes, among them taxes on tobacco; lubricating oil; gross receipts of rail line transportation companies, sleeping car companies, express companies, hydroelectric energy; and gross receipts of motor buses and automobiles for hire. A license tax for registering foreign securities, in lieu of an ad valorem tax, was provided by the legislature. In 1933, the legislature again enacted an income tax, which subsequently was upheld by the Supreme Court of Alabama.

The passage of a third Revenue Act in 1935 centralized the authority of the State Tax Commission in the areas of assessment and collection. Numerous licenses and taxes, which had previously been collected by other state offices, were finally
placed under the control of the State Tax Commission.

Also resulting from this act was the designation of a member of the State Tax Commission as the state land commissioner. Appointed by the governor, the land commissioner administered laws dealing with lands acquired by the state for the non-payment of taxes.

Influential revenue measures were enacted into law beginning with the Special Session in 1936. The first of these was the levy of a one and one-half percent gross receipts tax, which was later repealed and replaced with a two percent sales tax. Since the act approving the sales tax provided for the exemption of many essential commodities, it was referred to as a luxury tax act.

The former State Tax Commission was abolished in 1939 with the creation of the present day state Department of Revenue. This same year, the legislature designated the chief executive officer of the department as both the Commissioner of Revenue and the ex-officio Land Commissioner. Corresponding with these changes, the legislature created the Office of Legal Counsel within the department to provide assistance with tax litigation. With these changes the entire state revenue system was joined together under the leadership of the Commissioner of Revenue.
The duties of the Alabama Department of Revenue are set forth in Section 40-2-11, Code of Alabama 1975. These duties include the following:

To inspect and examine at all reasonable business hours any books, documents, records, or papers kept by any person, firm, corporation, trustee, or receiver;

To make all assessments of taxes or penalties which it is authorized to enforce or collect and report the same to the attorney general;

To have and exercise general and complete supervision and control of the valuation, equalization, and assessment of property, privilege, or franchise and of the collection of all property, privilege, license, excise, intangible, franchise, or other taxes for the state;

To require individuals, partnerships, associations, corporations, trustees, and receivers, and the agents, officers, and employees thereof, to furnish information concerning their capital, funded or otherwise, gross receipts, net profits or income, excess profits, current assets and liabilities, values of franchises, intangibles, value of property, earnings, operating and other expenses, bonds, deeds, conduct of business, and all other facts, records, books, papers, documents, and other information of any kind demanded which may be needful in order to enable the department to ascertain the value and relative burden to be borne by every kind of property in this state and to ascertain the proper amount of license, privilege, excise, corporation, franchise, income, or ad valorem taxes;

To cause the deposition of witnesses residing within or without the state to be taken upon such notice to the interested party, if any, as the department may prescribe, in like manner as depositions of witnesses are taken in actions pending in circuit court, in any matter which the department has authority to investigate and determine. The depositions shall be taken upon a commission issued by the Department of Revenue, or the secretary thereof, in the name of the department, and returnable to the department;

To investigate the tax system of other states, to thoroughly inform itself upon the subject of taxation and of the progress made in other states and counties in improving their tax system, to formulate and recommend such legislation as may be deemed expedient to prevent evasion of existing tax laws and to secure just and equal taxation and improvements in the system of taxation in this state;

To consult and confer with the governor upon the subject of taxation and the administration of the laws and progress of the work of the department, and to furnish to the governor from time to time such information as he may require; and

To issue executions and writs of garnishment.
Office of the Commissioner of Revenue

Commissioner
The Commissioner of Revenue serves as the chief executive officer of the Alabama Department of Revenue. The commissioner is appointed by and serves at the pleasure of the governor.

The commissioner is responsible for the operation and management of the Department of Revenue. In addition to the administration, collection, and enforcement of over 50 state taxes and fees, with annual collections exceeding $10 billion, the commissioner is also, by law, the ex-officio Land Commissioner.

As ex-officio Land Commissioner, the commissioner oversees the sales of all property acquired and sold by the state for delinquent property taxes. By law, the Commissioner of Revenue also serves on the State Records Commission, the Alabama Education Authority, the Alabama Public School Corporation, the Enterprise Zone Advisory Council, the State Industrial Development Authority, and the Alabama Commerce Commission.

The appointment, term of office, and qualifications of the commissioner are set forth in Section 40-2-41, Code of Alabama, 1975.

Assistant and Deputy Commissioners
The assistant and deputy commissioners of the Department of Revenue are appointed positions and hold office according to the provisions of the state merit system, as provided by Chapter 26 of Title 36, Code of Alabama 1975.

Section 40-2-44, Code of Alabama 1975 establishes the office of assistant commissioner and provides that in the absence of the commissioner, the assistant commissioner will assume the duties of the office of the Commissioner of Revenue.

Assistant and deputy commissioners provide for management continuity and stability for the department irrespective of changes in state administration. Duties include but are not limited to: the development and communication of major tax policies; the creation and implementation of actions that increase the efficiency and effectiveness of the department; liaison functions with the governor and the governor’s staff; and interactions with legislators, business groups, and professional associations.

Secretary
Duties of the secretary include keeping full and correct minutes and records of all hearings, transactions, proceedings, and findings of the department and other duties as may be required by law or by the department.
Legal Counsel
The Commissioner of Revenue, with the approval of the attorney general, appoints an attorney as legal counsel for the department who holds office at the pleasure of the governor. The counsel shall be commissioned as an assistant attorney general and, in addition to the powers and duties conferred, have the authority and duties of an assistant attorney general; except, that his or her entire time shall be devoted to the Department of Revenue. Department attorneys takes the oath required of other assistant attorneys general.

Taxpayer Assistance Officer
The Taxpayer Assistance Officer is designated by the commissioner to assist the taxpayers of the state of Alabama with regard to tax issues resulting from any taxes administered or collected by the department.
Department Directory

Alabama Department of Revenue
Gordon Persons Building
50 N. Ripley Street
Montgomery, Alabama 36132

Commissioner of Revenue
Vernon Barnett
Rm. 4112, Gordon Persons Bldg.
334-242-1175

Office of the Commissioner of Revenue

Deputy Commissioner
Joe Garrett
Rm. 4112, GPB, 334-242-1175

Deputy Commissioner
Brenda R. Coone
Rm. 4112, GPB, 334-242-1175

Deputy Commissioner
Curtis Stewart
Rm. 4112, GPB, 334-242-1175

Deputy Commissioner
Department Secretary
Mike Gamble
Rm. 4112, GPB, 334-242-1175

Legal Division
Mark Griffin, Chief Counsel
Rm. 3114, GPB, 334-242-9690

Tax Policy and Governmental Affairs
Kelley Gillikin, Acting Director
Rm. 4131, GPB, 334-242-1380

- Legislative Affairs
- Revenue Rulings
- Rule Making
- Policy and Forecasting Analysis
- Media Affairs
- Training
- Recruitment and Internship Program
- Voluntary Disclosure Program
- Nexus Discovery

Taxpayer Advocacy
Brenda Russ, Director
Rm. 1226, GPB, 334-242-1055
Divisions

Business and License Tax Division
Janet W. Stathopoulos, Director
Alisa Johnson, Assistant Director
Rm. 1210, GPB, 334-242-9600

- Business Privilege Licenses
- Severance Taxes (Oil and Gas, Forest Products, Coal, Alabama Uniform Natural Minerals Tax, and Local Solid Minerals)
- Tobacco Taxes (state and county)
- Escrow and Complimentary Legislation Provisions relating to the Tobacco Master Settlement Agreement
- Hazardous Waste Fees
- Dog Race Track Pari-Mutuel Pool Tax
- State Horse Racing Fee
- Underground/Aboveground Storage Tank Trust Fund Charge
- Solid Waste Disposal Fees
- Gasoline and Diesel Fuels Taxes
- Lubricating Oil Tax
- Aviation Fuels Tax
- Wholesale Oil/Import License Fee
- Compressed Natural Gas (CNG)/Liquefied Natural Gas (LNG) Excise Taxes
- Motor Carrier Mileage Tax
- Scrap Tire Environmental Fee
- State Inspection Fee
- County Fuel Taxes

Collection Services Division
Donald J. Graham, Director
John Q. Davis, Assistant Director
Rm. 3143, GPB, 334-242-1220

- Final Assessment Collection
- Garnishments
- Property Seizures
- 100% Penalty Assessments

Economic Development
Kelly Graham
Rm. 4112, GPB, 334-242-1175

Human Resources Division
Linda Ellis, Director
Rm. 4102, GPB, 334-242-1670
Individual and Corporate Tax Division
Kathleen Abrams, Director
Rm. 4212, GPB, 334-242-1103
Individual Income Tax Section - Craig Davis, Assistant Director
Rm. 4212, GPB, 334-242-1101
Business Tax Section - Angela Cumbie, Assistant Director
Rm. 4340, GPB, 334-242-9819
- Individual and Corporate Income Tax
- Withholding Tax
- Financial Institutional Excise Tax
- Business Privilege Tax
- Partnership, Fiduciary, and Trusts

Information Technology Division
Debbie Hornsby, Director
Rm. 1115, GPB, 334-242-8500
Gary Graham, Assistant Director
Rm. 1115, 334-353-7634

Investigations Division
Emanuel Roberts, Manager
955 Downtowner Blvd., Mobile, AL, 251-344-4737

Motor Vehicle Division
Jay Starling, Director
Sherry Helms, Assistant Director
Montgomery Taxpayer Service Center
2545 Taylor Road, Montgomery, AL, 334-242-9000
- Motor Vehicle Titles
- Motor Vehicle Registration
- Mandatory Liability Insurance
- International Fuel Tax Agreement
- International Registration Plan
- Motor Vehicle Dealer, Rebuilder, Wholesale, and Off-Site Sales Licenses
- Automotive Dismantler and Parts Recycler License
- Rebuilt (Salvage) Vehicle Inspections
- Manufactured Home Titles and Cancellations
Entity Registration and Processing Services Division
Anne Glenn, Director
Theodora Davis, Assistant Director
Rm. 1103, GPB, 334-242-1820
Entity Registration - Yolanda Thornton
Montgomery Taxpayer Service Center
2545 Taylor Road, 334-242-1584

Property Tax Division
Derrick Coleman, Director
Will Martin, Assistant Director
Rm. 4103, GPB, 334-242-1525
- Property Tax
- Real Property Valuation
- Personal Property Valuation
- Motor Vehicle Valuation
- Public Utility Assessments
- Freight Line Equipment Tax
- Land Sales

Sales and Use Tax Division
Randall A. Winkler, Director
Ginger Buchanan, Assistant Director
Rm. 4303, GPB, 334-242-1490
- Sales and Use Taxes
- Rental/Leasing Tax
- Transient Occupancy Tax
- Casual Sales Tax
- City and County Sales, Use, Rental/Leasing, and Transient Occupancy Taxes
- Utility Taxes
- Mobile Communications Tax
- TVA Tax
- Contractors Gross Receipts Tax
- Hospital Assessment for Medicaid
- Nursing Facilities Tax
- Pharmaceutical Providers Tax
- Dry Cleaning Environmental Response Trust Fund Fee
- Prepaid Wireless 9-1-1 Charge
- Simplified Sellers Use Tax Remittance Program
Taxpayer Service Centers

**AUBURN/OPELIKA**
3300 Skyway Drive  
Auburn, AL  36830  
Phone 334-887-9549  

**Mailing Address**
3320 Skyway Dr., Ste. 808  
Opelika, AL 36801

**JEFFERSON/SHELBY**
2020 Valleydale Road, Suite 208  
Hoover, AL 35244  
Phone 205-733-2740  

**Mailing Address**
PO Box 1927  
Pelham, AL 35124-1927

**DOTHAN**
121 Adris Place  
Dothan, AL 36303  
Phone 334-793-5803  

**Mailing Address**
PO Box 5739  
Dothan, AL 36302-5739

**GADSDEN**
701 Forrest Avenue  
Gadsden, AL  35901  
Phone 256-547-0554  

**Mailing Address**
PO Drawer 1190  
Gadsden, AL 35902-1190

**HUNTSVILLE**
4920 Corporate Dr., Suite H  
Huntsville, AL 35805  
Phone 256-837-2319  

**Mailing Address**
PO Box 11487  
Huntsville, AL 35814-1487

**MOBILE**
851 East I-65 Service Road South  
Suite 100  
Mobile, AL 36606  
Phone 251-344-4737  

**Mailing Address**
PO Drawer 160406  
Mobile, AL 36616-1406

**MONTGOMERY**
2545 Taylor Road  
Montgomery, AL 36117  
Phone 334-242-2677  

**Mailing Address**
PO Box 327490  
Montgomery, AL 36132-7490

**SHOALS**
201 South Court Street, Suite 200  
Florence, AL 35630  
Phone 256-383-4631  

**Mailing Address**
PO Box 219  
Florence, AL 35631-0219

**TUSCALOOSA**
1434 22nd Avenue  
Tuscaloosa, AL 35401  
Phone 205-759-2571  

**Mailing Address**
PO Box 2467  
Tuscaloosa, AL 35403-2467
Tax Information

Agents Occupational License Tax

Authority
Amendment 154 of the Constitution of Alabama of 1901.

Basis
A foreign corporation whose only business in Alabama is to take and hold mortgages on real property within the state is permitted to do so without qualifying as a foreign corporation.

Rate
Brokers, custodians, or agents, pay $100 for the first year for each foreign corporation represented and $5 annually thereafter.

Payment
File Form FT 6-2 with the Alabama Department of Revenue, Individual and Corporate Tax Division, prior to engaging in loan activity.

Distribution
General Fund.

Alabama Accountability Act

Authority
Sections 16-6D-1 through 16-6D-9, Code of Alabama 1975.

Basis
Income tax credits for parents of students enrolled in or assigned to attend a failing public K-12 school who transfer to a non-failing public school or nonpublic school in Alabama will be issued using sales tax revenues deposited in the Education Trust Fund by annual transfer into the Failing Schools Income Tax Credit Account.

Rate
Income tax credit for parents of students enrolled in or assigned to attend a failing public K-12 school in Alabama is limited to the lesser of (1) actual costs incurred to transfer a student to a non-failing public school or nonpublic school, or (2) 80% of the annual state cost of attendance for a public K-12 student during the applicable tax year. The student must transfer to a non-failing public school or nonpublic school in order for the parents to be eligible to claim an income tax credit.

Credit for individuals/married couples filing jointly and corporate taxpayers making contributions to Scholarship Granting Organizations (SGOs) that provide education scholarships to qualifying schools is equal to the total contribution to
the scholarship organization up to 50% of the tax liability but limited to $50,000 per individual taxpayer/couple. Tax credit claimed by a corporate taxpayer is equal to 100% of total contributions to the scholarship organization up to 50% of the tax liability; the cumulative amount of the tax credit for contributions to SGOs will not exceed $30 million per year. The tax credits for both individuals/married couples filing jointly and corporate taxpayers can be carried forward for three years.

**Payment**

For tax years beginning on or after January 1, 2013, any Alabama income tax credit due a parent of a student enrolled in/assigned to attend a failing school will be issued upon his/her making an application as prescribed by the Department of Revenue. An application for the tax credit will be filed with the department within the time prescribed for filing petitions for refund.

501(c)(3) organizations wishing to become SGOs must apply to the Department of Revenue using a form available on the department’s website. The department will make available an electronic system for donors to enter donations to SGOs made during the year. In order to receive a portion of the available $30 million in scholarship tax credits for a given year, donors must enter the actual scholarship donations and identifying information of the SGO to which the donation was made. Credits will be assigned to donors on a first-come, first-served basis. The allocation of a portion of the available tax credit amount to the donor is conditional, pending verification of the donation by the SGO within 30 days of receipt of the donation.

**Distribution**

The Commissioner of Revenue will annually certify to the comptroller the amount of income tax credits due to parents, and the comptroller will transfer into the Failing Schools Income Tax Credit Account only the amount of sales tax revenues sufficient for the Department of Revenue to use to cover the income tax credits for the applicable tax year. The Commissioner of Revenue will annually distribute the funds in the account to the parents.

**Alabama Uniform Natural Minerals Tax**

**Authority**


**Basis**

Severing natural minerals in any county of the state for sale and use as tangible personal property. The levy’s primary purpose is to compensate counties for use of roads and infrastructure.

**Rate**

$.10 per ton.
Exemption
Lime and limestone used for agricultural purposes and pollution control/abatement; minerals used for certain manufacturing or processing purposes; and marble, iron ore, quartzite, coal, oil and natural gas; minerals that are sold to a purchaser for use outside the state provided such minerals are not transported on public roads in Alabama; materials severed by an operator or producer and moved from one place to another on the same site, or transported to another site owned by the same operator; severed materials used for fill; and chert. Beginning October 1, 2012, a producer who severs materials and sells it to the first purchaser without the materials being transported on a public road shall be exempt from tax, provided that the materials will later be processed into a finished aggregate or limestone product for resale. In this instance, the tax shall be levied on the finished aggregate or limestone product made from the exempt material and shall be remitted by the first purchaser. Additional exemptions effective October 1, 2012: Severed material that is wasted by any manufacturing process provided the material is not transported on a public road in this state and is not sold to another entity; and direct purchases by the federal government and state of Alabama, along with their agencies and political subdivisions, including municipalities, counties, and city and county school boards.

The tax is not operative in Coosa County. (See Local Solid Mineral Taxes.) Geneva, Lamar, Lee, and Wilcox counties elected to opt out, and may establish their own levies.

Payment
Tax is collected at sale or delivery by producer from the purchaser; or, effective October 1, 2012, upon receipt and processing by the purchaser, and remitted to the Alabama Department of Revenue, Business and License Tax Division, Severance and License Section, not later than the 20th day of the month following the month of transaction.

Distribution
To counties where material is severed.

Alcoholic Beverage Control Revenues

Authority
Sections 28-3-43, 28-3-183 through 28-3-205, and 28-7-16, Code of Alabama 1975.

Basis
Sale of alcoholic beverages, also the license and filing fees required of distillers, manufacturers, wholesalers, and retailers.

Rate
Beer - $.05 per 12 fluid ounces or fraction thereof.
Local beer - $.01625 per 4 fluid ounces or fraction thereof.
Liquors and fortified wines - 56% of cost marked up price.
Table wine containing not more than 16.5% alcohol by volume - $.45 per liter (state – $.38; local – $.07).
Table wine containing more than 16.5% alcohol by volume - $2.42 per liter.
Annual license and rates are based on activity and, in the case of some application fees, on population base.
Note: 4% sales tax also applies at time of consumer market purchase and 2% sales tax for the ABC store purchase.

Payment
Paid to Alcoholic Beverage Control Board (ABC).
Beer excise taxes are paid by wholesaler based on receipts.
Taxes on liquor and wine sold through ABC stores are paid by consumer at time of purchase.
Taxes on table wines sold in retail establishments are paid by wholesaler and added to the retail price.
License and application fees paid annually by October 1.
Obtain forms from ABC Board.

Automotive Dismantler and Parts Recycler License

Authority
Sections 40-12-410 through 40-12-425, Code of Alabama 1975.

Basis
Engaging in the business of purchasing and dismantling wrecked, abandoned, or repairable motor vehicles; selling motor vehicles as a unit at wholesale; selling usable parts; or selling the hulk of the motor vehicle after salvageable parts have been removed.

A person is presumed to be engaged in the dismantling and/or parts recycling business if he possesses ten or more inoperable vehicles for more than 30 days. Each person holding an automotive dismantler and parts recycler license, or their agents or employees, must have a buyer’s identification card in order to purchase vehicles from salvage pools or salvage disposal sales.

Rate
License $225 annually.
Buyer’s Identification Card $10 annually. Limited to three per licensee per year.

Payment
File application, provide applicable bond, and remit fee to the Alabama Department of Revenue, Motor Vehicle Division, by October 1. If renewing the license, payment is delinquent on November 1.
Distribution
General Fund.

Aviation Fuel Tax

Authority

Basis
Fuel used to propel powered aircraft. Tax is imposed upon the withdrawal from the terminal, upon import, or when the product is blended.

Rate
Aviation gasoline - $.095 per gallon.
Jet fuel - $.035 per gallon.

Exemptions/Refunds:
Section 40-17-329 exempts the following:
1) Having first paid the tax owed under Section 40-17-325, an exporter shall have the right to apply to the department on a monthly basis for a refund of the taxes paid to this state on the gallons of motor fuel that are ultimately exported by the exporter. The department will require the exporter to provide proof of payment of the applicable destination state excise taxes before issuing a refund.

2) Having first paid the taxed owed under Section 40-17-325, a licensed aviation fuel purchaser shall have the right to apply to the department on a monthly basis for a refund of the taxes paid to this state on the gallons of jet fuel sold to a certificated or licensed air carrier that purchases jet fuel within this state and uses the jet fuel to propel aircraft powered by jet or turbine engines operated in scheduled all-cargo operations being conducted on international flights or in international commerce.

3) Having first paid the tax to its vendor, the entities listed below shall have the right to apply to the department for a refund on a quarterly basis for any purchases of motor fuel. (Note: These entities that have a Motor Fuel Exemption License may purchase tax-free from a licensed distributor.)
   a) The United States government or any agency thereof.
   b) Any county governing body of this state.
   c) Any incorporated municipal governing body of this state.
   d) City and county boards of education of this state.
   e) The Alabama Institute for Deaf and Blind, the Department of Youth Services school district, and private and church school systems as defined in Section 16-28-1, and which offer essentially the same curriculum as offered in grades K-12 in the public schools of this state.

4) Having first paid the tax, a licensed air carrier with a hub operation within this state shall have the right to apply to the department for a refund on a quarterly basis for any purchases of jet fuel used to propel aircraft.
Payment
Paid by 22nd of month following month of transaction to the Alabama Department of Revenue, Business and License Tax Division, Motor Fuels Section. Tax is due on imports acquired at an out-of-state terminal from a supplier who has not pre-collected the tax, on or before the third business day following import using 3-Day Voucher.

Distribution
Department of Transportation.

Business Privilege License

Authority
Sections 40-12-1 through 40-12-180, Code of Alabama 1975.

Basis
Engaging in certain businesses, professions, or occupations within Alabama as specified in the Code of Alabama 1975.

Rate
Rates vary, generally based on the population of the municipality in which the business is located. In some cases the license fee depends on the amount of capital invested; in others, the gross amount of orders or contracts accepted; or other conditions stipulated by the Code of Alabama 1975.

Payment
No tax returns are filed.
Unless otherwise specified, privilege license fees are due and payable by October 1 and delinquent on November 1.
Licenses are issued by the county-issuing authority in the county in which the business, profession, or occupation is conducted.

Other
Businesses, vocations, and occupations may also be subject to various additional county and municipal licensing requirements which vary by location. Municipal licenses are issued and administered by the municipalities or other designated agent.

Distribution
50% – General Fund, unless otherwise stated.
50 % – County General Fund where collected.

Business Privilege Tax

Authority
Basis
The tax is calculated on net worth plus additions, minus exclusions, times the apportionment factor, less the deductions, which equals taxable net worth.

Rate
The rate is based on the ability to pay and is determined by the entity’s federal taxable income in Alabama. The rate ranges from $.25 to $1.75 for each $1,000 of net worth in Alabama.
If taxable income of the taxpayer is:

<table>
<thead>
<tr>
<th>At least</th>
<th>But Less Than</th>
<th>The Tax Rate Shall Be</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1</td>
<td>$200,000</td>
<td>$0.25 per $1,000</td>
</tr>
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<td>$1</td>
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</tr>
<tr>
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<td>$1.75 per $1,000</td>
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</table>

Payment
The Business Privilege Tax accrues as of January 1 of every taxable year; or in the case of a taxpayer organized, incorporated, qualified, or registered during the year, or doing business in Alabama for the first time, as of the date the taxpayer qualifies to do business, or begins to do business, in Alabama.

Minimum privilege tax is $100; plus the $10 Secretary of State annual report fee for corporations.

Maximum privilege tax is $15,000 for all years after 2000, unless otherwise stated. The maximum privilege tax for financial institutions and insurance companies is $3,000,000 for each tax year.

The maximum privilege tax for an electing Family Limited Liability Entity is $500.

The Business Privilege Tax is filed on Form PPT for pass through entities and on Form CPT for all other entity types.

Payment is to be made to the Alabama Department of Revenue, Individual and Corporate Tax Division. Payment is due by the unextended due date of the entity’s corresponding federal return, except for those filing as a financial institution or financial institution group. Calendar year C-corporations, payment would be due April 15. Calendar year S-Corporations, payment would be due March 15. Financial institutions and financial institution groups must remit payment by April 15.

Returns are due for each of these entities by the unextended due dates. However,
federal extended due dates will be recognized for the filing of returns for all entities except for those filing as a financial institution or financial institution group. Financial institutions and financial institution groups should file an extended Business Privilege Tax return by the due date provided for filing their Financial Institution Excise Tax return (Form ET-1 or ET-1C), either July 15 or October 15. Payments and returns for disregarded entities are due not later than the time its owner is required to file.

The initial return, Form BPT-IN, and tax are due two and one-half months after organization, incorporation, registration, qualification, or beginning to do business, whichever occurs first.

**Distribution**
A portion of the privilege tax will be distributed to each county and the remainder will be distributed to the General Fund.

**Charter (Filing) Fee**

**Authority**

**Basis**
Persons incorporating or registering in this state for the purpose of conducting business.

**Rate**
$150 for domestic entity: $100 for state of Alabama; $50 for judge of probate.
$150 for foreign entity: $150 for state of Alabama.

**Payment**
Paid one time to the judge of probate of the county in which business is incorporated or to the Secretary of State. Separate checks should be prepared when appropriate: one payable to the state of Alabama covering all charges for the Secretary of State; one payable to the judge of probate for all charges for the judge of probate.

**Distribution**

**Domestic Entities:**
$100 – Secretary of State Entity Fund 30%; General Fund 70%.
$50 – Judge of probate of the county in which the business is incorporated.

**Foreign Entities:**
$150 – Secretary of State Entity Fund 30%; General Fund 70%.
Coal Severance Tax

Authority

Basis
Severing coal within state.

Rate
$.135 per ton; levied under Section 40-13-2.
$.20 per ton; levied under Section 40-13-31.
$.025 per ton levied on underground mining*. 
$.05 per ton levied on surface mining*.
*Levied on a maximum of 2 million tons. Expires on August 1, 2019.

Payment
File with the Alabama Department of Revenue, Business and License Tax Division, Severance and License Section, within 20 days after the end of each calendar month for the previous month’s operations.

Distribution
The $.135 per ton levy is first obligated to the State Docks Bulk Handling Facility Trust Fund for the servicing of bonds issued for dock construction.

For the 2013-2014 fiscal year and for all fiscal years thereafter, monies remaining after payment of servicing the State Dock’s bonds, or any anticipated deficiencies in operating the docks shall be distributed as follows:
$300,000 - Alabama Mining Academy.

60% transferred by Department of Revenue to the general fund of the county of severance based on the ratio of the $.135 per ton coal severance tax collections from within the county to the total coal severance tax collections, except those sent to the Walker County Economic and Industrial Development Authority. Provided, however, the distribution to the Jefferson County General Fund shall be $500,000.

In addition:
$100,000 Community Development Foundation, Inc.
$50,000 Marion County Community Development Association, Inc.
$50,000 West Alabama Development Association of Fayette County
$100,000 West Alabama Economic Development Association
$100,000  Winston County General Fund

Remainder  General Fund

The $.20 per ton levy is distributed to the counties and municipalities where the coal is severed.

The additional tax levy monies are distributed to the Surface Mining Commission.

**Compressed Natural Gas (CNG)/Liquefied Natural Gas (LNG)**

**Authority**

**Basis**
Effective October 1, 2018, all public sellers and fleet producers of CNG/LNG are required to collect and remit a per gasoline gallon equivalent (GGE) excise tax on CNG and a per diesel gallon equivalent (DGE) excise tax on LNG based upon product sold or disbursed for use in a vehicle designed to be operated on the public roads and highways.

Effective January 1, 2019, all personal producers of CNG must submit an annual application fee by January 20 each year based upon the date of purchase of the CNG powered vehicle(s) or the date of conversion of a vehicle to a CNG powered vehicle. The amount of the fee due is based upon the date of purchase of the vehicle or the date of conversion/installation and is as follows:

- $100  January 1 - June 30 (Rate for full year)
- $50  July 1 - September 30 (Reduced rate only for first year of purchase)
- $25  October 1 - December 31 (Reduced rate only for first year of purchase)

**Rate**
$.08 per gasoline gallon equivalent (GGE) excise tax on CNG and an $.08 per diesel gallon equivalent (DGE) excise tax on LNG – effective October 1, 2018.

Effective October 1, 2023, the rate will increase to $.13 per GGE or DGE.

Effective October 1, 2028, the rate on CNG will increase to the gasoline excise tax rate as prescribed by Section 40-17-325(a)(1), Code of Alabama 1975, per GGE and the rate on LNG will increase to the diesel fuel excise tax rate as prescribed by Section 40-17-325(a)(2), Code of Alabama 1975, per DGE.
Exemption
A licensed public seller or licensed fleet producer may deduct the number of gallons of CNG or LNG sold or disbursed to the entities listed below provided that the exempt entity has a valid exempt entity license issued in accordance with Section 40-17-332(j).

1) The United States Government or any agency thereof.
2) County governing body in this state.
3) Governing body of any incorporated municipality in this state.
4) City and county boards of education in this state.
5) Alabama Institute for Deaf and Blind, Department of Youth Services school district, and private and church school systems as defined in Section 16-28-1, which offer essentially the same curriculum as offered in grades K -12 in the public schools of this state.

Payment
File and remit to the Alabama Department of Revenue, Business and License Tax Division, Motor Fuels Section, by 20th of month following month of activity.

Distribution
Net collections distributed to Department of Transportation.

Contractors Gross Receipts Tax

Authority

Basis
Engaging in the business of contracting to construct, reconstruct, or build any public highway, road, bridge, or street within the state.

Rate
5% of gross receipts.

Payment
File and remit tax by the 20th of each month with the Alabama Department of Revenue, Sales and Use Tax Division, for the previous month’s receipts.

Distribution
85% – Special Mental Health Fund.
15% – Pensions and Security Trust Fund.

Corporate Income Tax

Authority
Basis
Corporations – Net taxable income from business within the state.
For tax years beginning on or after January 1, 2011, Alabama income is determined
by a four-factor apportionment formula (property, payroll, and twice the sales
factor).

Constitutional Provisions
Amendment No. 212 to the Constitution of Alabama of 1901 (proclaimed ratified
December 18, 1963) increased the allowable maximum corporate income tax
rate to 5%, with deduction allowed for all federal income taxes paid. Taxes due
by foreign corporations are to be based on income derived from sources within
Alabama. (Further amended by Amendment No. 662.)

Amendment No. 662 to the Constitution of Alabama of 1901 (proclaimed ratified
June 19, 2000) increased the corporate income tax rate to 6.5% beginning in
calendar year 2001.

Rate
6.5% of annual net income with a deduction allowed for federal income tax paid
or accrued.

Payment
For corporations on a calendar year, the due date for the return and payment is the
15th day of the fourth month after year-end.

For corporations on a fiscal year other than a calendar year and June 30 year
end, the due date for the return and payment is the 15th day of the fourth month
following the end of the corporation’s fiscal year.

For corporations with a fiscal year ending on June 30, the due date for the return
and payment is the 15th day of the third month following the end of the fiscal year.
Federal extended due dates will be recognized for the return, but not for any
payment due.

Corporations with an anticipated tax liability of $500 or more shall file and pay
estimates on a quarterly basis by April 15, or by the 15th day of the fourth month
of the fiscal year. The second, third, and fourth installments are due and payable
on the 15th day of the sixth, ninth, and twelfth months of the fiscal year.

Quarterly estimates and payments shall equal at least 100% of the estimated tax.
Corporations file Form 20C with the Alabama Department of Revenue, Individual
and Corporate Tax Division.

S corporations: Any corporation (except financial institutions) filing as a federal S
corporation must file as an Alabama S corporation. Use Form 20S. Return and any
tax due should be remitted on or before the 15th day of third month following close
of accounting period. Any S corporation with nonresident shareholders who have not executed a Nonresident Agreement must pay the nonresident shareholders’ tax. Use Form PTE-C. Form and any tax due should be remitted on or before the 15th day of the third month following close of S corporation accounting period. File with the Alabama Department of Revenue, Individual and Corporate Tax Division.

**Distribution**
Education Trust Fund.

**Deeds and Assignments**

**Authority**
(Sale of real property because of property tax delinquency.)

**Basis**
Voluntary payment by interested parties upon their purchase of the state’s (which included the delinquent tax of all jurisdictions, plus all fees, interest, etc.) interest in real property which was acquired pursuant to judicial sale for non-payment of property tax.

Rate Sale amount is the accumulated delinquent tax (on the same basis as general property taxes), fees, and costs incurred in the sale to the state and interest on the taxes, fees, and costs at 12% per year from the date of delinquency.

**Payment**
Applications to purchase the state’s interest in tax-delinquent property are accepted by the State Land Agent in the Property Tax Division. The applicant is then quoted the amount necessary to acquire the state’s interest. Upon remittance of the appropriate amount, the purchaser will either be assigned the Certificate of Sale held by the state or be given a tax deed to the property, depending on whether the administrative redemption period has expired.

**Distribution**
All property taxing jurisdictions receive their proportional share of the taxes and interest on the taxes. Fees, and interest on the fees, are received by the official who levied the fee. Costs, and interest on the costs, are deposited in the General Fund.

**Dry Cleaning Environmental Response Trust Fund Fee**

**Authority**
Section 22-30D-1 through 22-30D-12, Code of Alabama 1975.
**Basis**
Voluntary payment by dry cleaning owners or operators, wholesale distributors selling dry cleaning agents, owners of abandoned dry cleaning facilities, and impacted third parties to a trust fund benefiting a dry cleaning industry self-insurance program to cover the costs of investigating, assessing, and remediating dry cleaning contamination.

**Rate**
Dry cleaning owners or operators who establish a new dry cleaning facility shall pay a one-time registration fee equal to $5,000 for the first year of operation, and for the second year of operation, shall pay an annual registration fee equal to the greater of $5,000 or 2% of the gross receipts earned the prior year. For each year thereafter, the new owner or operator shall pay an annual registration fee equal to 2% of the gross receipts earned in the state during the prior calendar year, not to exceed a total of $25,000 per year.

Dry cleaning owners or operators, who acquire an existing dry cleaning facility, shall pay an annual registration fee equal to 2% of the gross receipts earned in the state by the prior owner or operator during the prior calendar year, not to exceed a total of $25,000 per year.

Wholesale distributors, annual registration fee of $5,000.
Abandoned dry cleaning facility owners and impacted third parties, registration fee equal to $5,000 per year per site.

**Payment**
Dry cleaning owners or operators -- file return on or before April 19, annually, to the Alabama Department of Revenue, Sales and Use Tax Division. Payments due in one-fourth increments on April 1, July 1, October 1, and January 1, becoming delinquent on the 20th day of each said month.

Wholesale distributors -- return and annual fee due April 1, becoming delinquent on the 20th day of April.

Abandoned dry cleaning facility owners and impacted third parties April 1, becoming delinquent on the 20th day of April.

**Distribution**
Alabama Dry Cleaning Environmental Response Trust Fund.

**Estate Tax**
Estate Tax in Alabama is linked, constitutionally, to the federal estate tax. The federal Economic Growth and Tax Relief Reconciliation Act of 2001 mandated the phase out of the “Credit for State Death Taxes” on federal Estate Tax Return (Form 706). This is the amount that Alabama collected as Estate Tax. Because
of this mandated phase out, decedents who die after December 31, 2004 have no Estate Tax liability to the state of Alabama and are not required to file an Estate Tax Return with the state of Alabama.

**Fiduciary Income Tax**

**Authority**

**Basis**
Taxable net income earned from all sources by resident estates or trusts. Income with business situs in Alabama or from real property located in Alabama by non-resident trusts and estates.

**Rate**
When adjusted gross income is $1,500 or more; 2% on the first $500 of taxable income, 4% on the next $2,500, and 5% on all over $3,000.

**Payment**
Returns filed with Alabama Department of Revenue, Individual and Corporate Tax Division, by April 15, except when filed on fiscal year basis, which are due 105 days after the close of the fiscal year. Estimated payments are not required by law.

**Exemption**
Exemption credit of $1,500 on net income.

**Distribution**
Education Trust Fund

**Financial Institutions’ Excise Tax**

**Authority**

**Basis**
Excise tax measured by net income of bank, banking association, trust company, credit card company, building and loan association, industrial or other loan company doing business in Alabama. For tax years beginning after December 31, 1999, multistate corporations shall allocate and apportion income to the state of Alabama.

**Rate**
6.5% of taxable income.

**Payment**
File Form ET-1 with the Alabama Department of Revenue, Individual and Corporate Tax Section, by April 15.
**Distribution**
25% – General Fund.
25% – counties of origin.
50% – cities of origin.

**Forest Products’ Severance Tax**

**Authority**

**Basis**
Owning timber prior to severance and severing timber or other forest products for sale, profit, or commercial use.

**Rate**
Effective July 1, 2017

- Pine Logs received by a concentration yard, manufacturer, or processor $0.10/ton
- Pine Logs exported out-of-state $0.10/ton
- Logs-All Other Species received by a concentration yard, manufacturer, or processor $0.065/ton
- Logs-All Other Species exported out-of-state $0.065/ton
- Pulpwood received by a concentration yard, manufacturer, or processor $0.10/ton
- Pulpwood exported out-of-state $0.10/ton
- Stumpwood received by a manufacturer $0.125/ton
- Stumpwood exported out-of-state $0.125/ton
- Poles/Pilings received by a concentration yard or manufacturer $0.205/ton
- Poles/Pilings exported out-of-state $0.205/ton
- Inwoods Pulpwood Chips received by a concentration yard or manufacturer $0.10/ton
- Inwoods Pulpwood Chips exported out-of-state $0.10/ton

There is also a privilege tax of 50% of the severance tax above, against manufacturers using forest products in the manufacturing process. This tax applies to manufacturers located only within this state.

**Payment**
File with the Alabama Department of Revenue, Business and License Tax Division, Severance and License Section, within 30 days after the expiration of each quarterly period during the calendar year.

**Distribution**
State Forestry Commission – Special State Forestry Fund.
Freight Line Equipment Companies Tax

Authority
Section 40-21-52, Code of Alabama 1975, as limited by the federal Railroad Revitalization and Regulatory Reform Act.

Basis
Reasonable value (allocated on a mileage basis) of private railroad cars operated, rented, or leased in this state for the transportation of freight.

Rate
3.5% of 20% of the market value of the number of cars within the state during the preceding fiscal year.

Payment
File Form U3-1 with the Alabama Department of Revenue, Property Tax Division, Utilities Section, by March 1. Tax liability established by the Property Tax Division and payable within 30 days of prescribed date, unless appealed by taxpayer.

Distribution
General Fund.

Gasoline and Diesel Fuel Taxes

Authority

Basis
Gasoline and diesel fuel sold at the terminal rack, imported into Alabama, or blended with a motor fuel product.

Rate
Gasoline: $.18 per gallon effective October 1, 2016, Section 40-17-325(a)(1) (Comprised of $.07, $.05 and $.06 levies).
Diesel Fuel: $.19 per gallon, Section 40-17-325(a)(2) (Comprised of $.13 and $.06 levies).

Exemption
Section 40-17-329 exempts the following:
1) All motor fuel exported from this state for which proof of export is available in the form of a terminal issued destination state shipping document that is (a) exported by a supplier who is licensed in the destination state or (b) is sold by a supplier to a licensed exporter for immediate export to a state for which the applicable destination state motor fuel excise tax has been collected by the supplier who is licensed to remit the tax to the destination state. This exemption shall not apply to any motor fuel which is transported
and delivered outside this state in the motor fuel supply tank of a highway vehicle.

2) All K-1 Kerosene or aviation jet fuel that is produced at a refinery in this state and is either exported from this state directly by the operator of that refinery or is sold for immediate export by the operator to a licensed exporter. In either case proof of export is to be available in the form of a terminal destination state shipping document and in addition all relevant sales documents are to reference the product known as “K-1 Kerosene” or “aviation jet fuel” as applicable.

3) All sales of dyed diesel fuel.

4) Gasoline blendstocks orcellulosic biofuel when sold to (a) a licensed supplier or (b) a person who will not be using the blendstocks orcellulosic biofuel in the manufacture of gasoline or as a motor fuel, as evidenced by the exemption certificate prescribed under regulations promulgated under Section 4081, Title 26 of the United States Code.

5) All motor fuel sold by a licensed supplier or licensed permissive supplier to an exempt agency electing to be licensed under Section 40-17-332.

6) Motor fuel that is delivered by a licensed supplier from one terminal to another terminal when ownership in the motor fuel has not changed, or by a licensed supplier from a terminal to a refinery operated by the licensed supplier.

7) Having first paid the tax owed under Section 40-17-325, a licensed aviation fuel purchaser shall have the right to apply to the department on a monthly basis for a refund of the taxes paid to the state of Alabama on the gallons of jet fuel sold to a certificated or licensed air carrier that purchases jet fuel within Alabama and uses the jet fuel to propel aircraft powered by jet or turbine engines operated in scheduled all-cargo operations being conducted on international flights or in international commerce.

8) Having first paid the tax to its vendor, the entities listed below shall have the right to apply to the department for a refund on a quarterly basis for any purchases of motor fuel. (Note: These entities that have a Motor Fuel Exemption License may purchase tax-free from a licensed distributor or through a credit card issuer.)
   a) The United States government or any agency thereof.
   b) Any county governing body of this state.
   c) Any incorporated municipal governing body of this state.
   d) City and county boards of education of this state.
   e) The Alabama Institute for Deaf and Blind, the Department of Youth Services’ school district, and private and church school systems as defined in Section 16-28-1, and which offer essentially the same curriculum as offered in grades K-12 in the public schools of this state.

9) Having first paid the tax owed under Section 40-17-325, an exporter shall have the right to apply to the department on a monthly basis for a refund of the taxes paid to this state on the gallons of motor fuel that are ultimately exported by the exporter. The department will require the exporter to provide
proof of payment of the applicable destination state excise taxes before issuing a refund.

Certain counties and cities levy additional gasoline and diesel fuels taxes ranging from $.005 to $.06 per gallon.

**Payment**

File and remit by the 22nd day of the month following the month of sale or other activity to the Alabama Department of Revenue, Business and License Tax Division, Motor Fuels Section. Tax is due on imports acquired at an out-of-state terminal from a supplier who has not pre-collected the tax, on or before the third business day following import using 3-Day Voucher.

**Distribution**

**Gasoline:**

1.23% of the $.12 levy goes to the Conservation Department.

35% of 1% of the $.12 levy is credited to the Water Safety Fund and the Seafood Fund.

70% of 1% of the $.12 levy is credited to the Game and Fish Fund.

18% of 1% of the $.12 levy is credited to the Water Safety Fund and the Seafood Fund.

60% of the $.05 supplemental tax goes to the State Road and Bridge Fund.

Remaining 40% is distributed according to the 45%/55% pattern below.

The balance of the $.12 levy and 2/3 of the $.06 gasoline levy are distributed as follows:

1) 45% to the State Road and Bridge Fund. The distributions to the Game and Fish Fund (70%) and the distributions to the Water Safety Fund and the Seafood Fund (18%) are deducted from the State Road and Bridge Fund.

2) 55% to be shared by the counties and their municipalities as follows:

   a) 25% of the net tax proceeds are distributed equally to the 67 counties;

   b) 30% of the net tax proceeds are allocated to the 67 counties based on population.

   1. 10% of the counties’ share received shall be allocated to each municipality therein, based on a population ratio.

   2. Remaining portion to the county.

1/3 of the $.06 gasoline levy is distributed to the Inspection Fee Fund which is further distributed by the State Treasurer as follows:

1) 5% or no less than $175,000, whichever is greater, to the Agricultural Fund.

   a) 13.87% of balance of proceeds distributed equally to the counties.

   b) $408,981 distributed to Department of Transportation Public Road and Bridge Fund.

   c) 2.76% of balance of proceeds allocated among the incorporated municipalities.

   d) 5% of balance of proceeds after distributions to (a) and (c) is distributed to Agricultural Fund.
e) 2 1/2% of balance of proceeds after (a), (b), (c), and (d) or no less than $87,500, whichever is greater, is distributed to the Department of Revenue.
f) Balance after (a), (b), (c), (d), and (e) is distributed to the Department of Transportation Public Road and Bridge Fund, as provided in Section 8-17-91, Code of Alabama, 1975.

Motor Fuels:
The $.13 and $.06 levies are distributed as follows:
$.13 to Department of Transportation
$.06 as follows:
.93% of net collections is allocated among the incorporated municipalities of the state and distributed as provided in Section 8-17-91(a)(2) c.
4.69% distributed equally among each of the 67 counties of the state monthly.
Balance paid to the State Treasury to be used for highway purposes by the State Department of Transportation.

Hazardous Waste Fee

Authority
Sections 22-30B-1 through 22-30B-20, Code of Alabama 1975.

Basis
Fee on operators of commercial sites for the disposal of hazardous waste or hazardous substance for each ton of waste or substance received for disposal at such sites.

Rates at the commercial facility located at Emelle, Alabama:
$5.50 per ton: waste listed under Section 3001 of the Resource Conservation and Recovery Act of 1976 (RCRA) as amended and “PCB” waste.
$5.50 per ton: all other waste.
$1 per ton: additional fee on all wastes or substances.
In addition to the above fees, Sumter County also levies $2 per drum or $5 per ton on waste disposed of at the Emelle disposal facility.

Payment
State Fee – File and remit to the Alabama Department of Revenue, Business and License Tax Division, Severance and License Section. Payment is due by the 30th of the month following receipt of hazardous waste or substance for disposal.
County Fee – File and/or remit the county fees to the county in which the site is located.

Distribution
$5.50 per ton RCRA/PCB base fee - Both $5.50 rates will be used to meet the annual guarantee amount of $4.2 million to the county. After the $4.2 million is met, any remaining amounts are to be split 50/50 between the General Fund and the county.
$5.50 per ton all other waste - Both $5.50 rates will be used to meet the annual guarantee amount of $4.2 million to the county. After the $4.2 million is met, any remaining amounts are to be split 50/50 between the General Fund and the county.

$1 per ton - All to Alabama Hazardous Substance Cleanup Fund.

**Hospital Assessment for Medicaid Tax**

**Authority**

**Basis**
Privately operated hospitals in the state of Alabama that are funded through the Alabama Medicaid program are taxed according to their net patient revenue. The assessment is a cost of doing business as a privately-operated hospital in the state of Alabama.

**Rate**
5.5% of the net patient revenue in fiscal year 2014. Effective October 1, 2018, the rate increases to 5.75% of the net patient revenue in fiscal year 2016.

**Payment**
Assessment amounts are to be paid in equal quarterly installments by the 15th working day of each quarter of the state’s 2018 fiscal year. This program was extended by Act No. 2018-542 through fiscal year 2019. Remit fees to the Alabama Department of Revenue, Sales and Use Tax Division through Alabama Interactive.

**Distribution**
Alabama Medicaid Agency.

**Hydroelectric KWH Tax**

**Authority**

**Basis**
Privilege tax on the manufacture and sale of hydroelectric power within Alabama.

**Rate**
2/5 mill on each kilowatt hour of hydroelectric power manufactured and sold.

**Payment**
Pay by September 25 on power sold during prior calendar year. File Form FT: 5-4 with the Alabama Department of Revenue, Sales and Use Tax Division.
Distribution
58% – Special Mental Health Fund.
42% – Education Trust Fund.

Illegal Drug Tax

Authority

Basis
Excise tax on illegal possession, distribution, sales, use, and other transactions involving certain drugs or controlled substances.

Rate

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<td></td>
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</tr>
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</table>

Payment
Forms for the purchase of stamps may be obtained from any Alabama Department of Revenue Taxpayer Service Center.

Stamps may be obtained from the Investigations Division located in Montgomery.
Mail orders:
R.I.D.S.
2545 Taylor Road
Montgomery, AL 36117

Distribution
General Fund
Income Tax Withholding

Authority
This is a component of Individual Income Tax.

Basis
Wages as defined under laws of the United States in effect July 1, 1982, reduced by optional standard deduction provided by Section 40-18-15, Code of Alabama 1975, federal income tax liability, and personal and dependent exemption granted under Section 40-18-19.

Rate
Persons claiming single or zero exemption: 2% on first $500 of taxable wages, 4% on next $2,500, and 5% on all over $3,000.

Persons claiming married exemption: 2% on first $1,000 of taxable wages, 4% on next $5,000, and 5% on all over $6,000.

Payment
All employers file Form A-1 by the last day of month following close of each quarter.

Employers who withhold $1,000 or more during first or second months of quarter should file Form A-6 by the 15th of the month following the month in which $1,000 or more is withheld with the Alabama Department of Revenue, Individual and Corporate Tax Division.

Distribution
See Individual Income Tax.

Individual Income Tax

Authority

Basis
Taxable net income earned from all sources by residents.

Constitutional Provisions
Amendment No. 25 to the Constitution of Alabama of 1901 (proclaimed ratified August 2, 1933) authorized the legislature to levy and collect taxes on taxable, individual income at a rate not to exceed 5%.

It further provides for minimum personal exemptions of $1,500 for single taxpayers, $3,000 for joint filers; and, a minimum dependent exemption of $300
for each dependent.

Amendment No. 61 to the Constitution of Alabama of 1901 (proclaimed ratified September 11, 1947) provided for distribution of income tax receipts to (1) replace revenue lost to the funds affected by the state homestead exemption; and (2) the Education Trust Fund to be used only for the payment of public school teachers’ salaries.

Amendment No. 225 to the Constitution of Alabama of 1901 (proclaimed ratified December 13, 1965) provided deduction for federal income taxes paid by individual taxpayers.

**Rate**

Single persons with adjusted gross income of $4,000, head of family with adjusted gross income of $7,700, and married persons filing separate returns with adjusted gross income of $5,250 or more; 2% on first $500 of taxable income, 4% on next $2,500, and 5% on all over $3,000.

Married persons filing a joint return with adjusted gross income of $10,500 or more; 2% on first $1,000, 4% on next $5,000, and 5% on all over $6,000.

**Payment**

Taxpayers that reasonably expect to owe $500 or more shall file and pay estimated tax quarterly and must remit one-fourth of the estimated amount due on the 15th of April, June, September, and January.

Returns filed with Alabama Department of Revenue, Individual and Corporate Tax Division, by April 15, except if fiscal year basis, which is due 105 days after close of fiscal year.

Individuals who have a balance due after credit is allowed for payments on an estimate and tax withheld must remit payment when returns are filed.

**Deduction**

The standard deduction is based on the filing status and the adjusted gross income.
<table>
<thead>
<tr>
<th>Head of Family</th>
<th>Standard Deduction</th>
<th>Single</th>
<th>Standard Deduction</th>
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<tr>
<td><strong>Alabama AGI</strong></td>
<td><strong>Alabama AGI</strong></td>
<td><strong>Alabama AGI</strong></td>
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<td>30,000 and over</td>
<td>4,000</td>
<td>15,000 and over</td>
<td>2,000</td>
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</tbody>
</table>

**Exemption**
Single or married person filing a separate return – $1,500.

Married persons filing a joint return and head of family – $3,000.

Dependents – $1,000 each for adjusted gross income $20,000 and under, $500 each if adjusted gross is $20,001 but under $100,000 and $300 each if adjusted gross income is over $100,000.

**Distribution**
Replaces state property tax lost due to the homestead exemption; remainder to Education Trust Fund.

**Inspection Fee**

**Authority**
Sections 8-17-80 through 8-17-102, Code of Alabama 1975.

**Basis**
First sale or import of dyed diesel fuel, dyed kerosene, or lubricating oil in Alabama. Gasoline or undyed diesel sold by a supplier or permissive supplier at the rack to a licensed exempt entity other than the federal government, or dyed diesel or dyed kerosene sold to an importer that does not have a valid inspection fee permit.

**Rate**
Section 8-17-87
Dyed diesel fuel - $.02 per gallon.
Dyed kerosene - $.01 per gallon.
Lubricating oil - $.15 per gallon.
Gasoline or undyed diesel fuel sold by a supplier at the rack to a licensed exempt entity other than the federal government - $.02 per gallon.
Dyed diesel fuel or dyed kerosene used to operate maritime vessels, tractors for agricultural purposes, or railroad locomotives, or used in the treatment or preservation of wood products - $.00025 per gallon.

**Exemption**
Section 8-17-87
Aviation gas and jet fuel
Section 8-17-99
Dyed Diesel Fuel or Dyed Kerosene
Federal Government
Exports by bonded distributor
Sales to other bonded distributors
Sales for use in turbines or steam boilers
Lubricating Oil
Federal Government
Exports by bonded distributor
Sales to other bonded distributors

**Distribution**
Distributed to the Inspection Fee Fund which is further distributed by the State Treasurer as follows:
5% or no less than $175,000, whichever is greater, to the Agricultural Fund.
a) 13.87% of balance of proceeds distributed equally to the counties.
b) $408,981 distributed to Department of Transportation Public Road and Bridge Fund.
c) 2.76% of balance of proceeds allocated among the incorporated municipalities.
d) 5% of balance of proceeds after distributions to (a) and (c) is distributed to Agricultural Fund.
e) 2 1/2% of balance of proceeds after (a), (b), (c), (d) or no less than $87,500, whichever is greater, is distributed to the Department of Revenue.
f) Balance after (a), (b), (c), (d), and (e) is distributed to the Department of Transportation Public Road and Bridge Fund, as provided in Section 8-17-91.

**International Fuel Tax Agreement (IFTA)**

**Authority**
Sections 40-17-150 and 40-17-270 through 40-17-275, Code of Alabama 1975.

**Basis**
Motor carriers operating in interstate commerce with a qualified motor vehicle. A qualified motor vehicle is one which has two axles and a gross vehicle weight or registered gross vehicle weight exceeding 26,000 pounds, has three or more axles regardless of weight, and is used in combination, when the weight of the combination exceeds 26,000 pounds gross vehicle or registered gross vehicle weight; shall be subject to this tax. Motor carriers with motor vehicles which are operated or caused to be operated wholly within Alabama are exempt from this tax.
Rate
Any motor carrier meeting the above requirements shall pay an annual fee per vehicle to obtain an IFTA license and identification decals. The fee for the decals is $17.00 per set.

Excise tax upon motor fuels used in the operation of a motor carrier in Alabama shall be at the same rate per gallon as provided in Section 40-17-325.

Payment
Every motor carrier must electronically file IFTA quarterly tax returns with the Alabama Department of Revenue, Motor Vehicle Division, before the last day of April, July, October, and January. Payments of $750 or more must be remitted electronically.

Distribution
That portion of revenues attributable to gasoline taxes shall be distributed in the manner prescribed for gasoline taxes levied under Section 40-17-359. That portion of revenues attributable to motor fuel (diesel) taxes shall be distributed in the manner prescribed for motor fuel (diesel) taxes levied under Section 40-17-361. (See Gasoline and Diesel Fuel Taxes)

International Registration Plan (IRP)

Authority

Basis
Motor carriers operating in interstate commerce with a qualified motor vehicle. A qualified motor vehicle is one which has two axles and a gross vehicle weight or registered gross vehicle weight exceeding 26,000 pounds; or has three or more axles regardless of weight; or is used in combination, when the weight of the combination exceeds 26,000 pounds gross vehicle or registered gross vehicle weight. Registrants are issued an apportioned license plate and a cab card (registration).

Rate
Registration fees are dependent on mileage traveled in IRP member jurisdictions, the fee structure of the member jurisdictions and the number of months the vehicle(s) is to be registered. Alabama fees are apportioned based on the fee schedule provided in Section 40-12-248.

Payment
Registrations are renewed on a staggered basis from January through November through the Alabama Department of Revenue, Motor Vehicle Division. Payments of $750 or more must be remitted electronically.
Distribution
Base amount:
72% – Road and Bridge Fund
21% – city or county of residence
7% – counties and cities
Additional amount:
64.75% – Road and Bridge Fund
35.25% – counties

Local Solid Minerals Taxes

Authority
Coosa County - Section 45-19-244.01, Code of Alabama 1975.
Jackson County - Section 45-36-246, Code of Alabama 1975.

Basis
Coosa County levies a tax on sand, clay, silt, loam, dirt, gravel, rock, sand-gravel, and sand-clay. Jackson and Marshall Counties levy a tax on coal severed within their counties.

Rate
$.25 per ton (Coosa County).
$.20 per ton (Jackson and Marshall Counties).

Payment
File with the Alabama Department of Revenue, Business and License Tax Division, Severance and License Section, within 20 days after the end of each calendar month for the previous month’s operations.

Lubricating Oils Tax

Authority

Basis
Selling, distributing, or withdrawing from storage in Alabama, for any use, lubricating oils or greases. (Does not include products commercially known as “fuel oils” or “crude oil.”)

Rate
$.02 per gallon levied under Section 40-17-171.
$.04 per gallon levied under Section 40-17-220.
$.06 per gallon total.
(Eight pounds of grease equals one gallon.)
**Exemption**
The United States Government, governing bodies of counties and incorporated municipalities, city and county boards of education, the Alabama Institute for Deaf and Blind, the Department of Youth Services school district, and private and church schools as defined in Section 16-28-1 are exempt from the $.02 per gallon tax levied under Section 40-17-171.

Governing bodies of counties and incorporated municipalities, city and county boards of education, the United States Government, sales for use in off-road vehicles, aircraft, ships, vessels, barges, railroad locomotives, and railroad equipment, private and church school systems as defined in Section 16-28-1, Alabama Institute for Deaf and Blind, Department of Youth Services, and lubricating products sold for agricultural purposes are specifically exempt from the $.04 per gallon tax levied under Section 40-17-220.

**Payment**
File and remit to the Alabama Department of Revenue, Business and License Tax Division, Motor Fuels Section, by 20th of month following month of transaction.

**Distribution**
$ 02 revenues – General Fund.
$.04 revenues:
45% – State Road and Bridge Fund.
55% – To be shared by the counties and their municipalities as follows:
   a) 25% of the net tax is distributed equally to the 67 counties.
   b) 30% of the net tax is allocated to the 67 counties based on population.
      1) 10% of county’s share received shall be allocated to each municipality therein, based on a population ratio.
      2) Remaining portion to the county.

**Mandatory Liability Insurance (MLI)**

**Authority**

**Basis**
No person shall operate, register, or maintain registration of, and no owner shall permit another person to operate, register, or maintain registration of, a motor vehicle designed to be used on a public highway unless the motor vehicle is covered by a liability insurance policy, commercial automobile liability insurance policy, motor vehicle liability bond, or deposit of cash. The insurance policy must provide a minimum of $25,000 for bodily injury/death liability for one person in an accident, $50,000 for all injuries/deaths in an accident, and $25,000 for property damage in an accident in accordance with Section 32-7-6, Code of Alabama 1975. The policy must be an Alabama policy issued by an insurance
company qualified to issue motor vehicle liability insurance in Alabama.

**Rate**
If it is determined that a vehicle was not insured in accordance with the MLI law, the department will suspend the motor vehicle registration. The registration reinstatement fee will be $200 for the first suspension, and the owner will be required to provide proof of current liability insurance. For subsequent registration reinstatements, the fee will be $400 after the owner has served a four-month suspension and upon presentation of proof of current liability insurance.

**Payment**
If a registration reinstatement fee is due from a registrant, as detailed above, the registrant may pay the reinstatement fee directly to the Department of Revenue or at their licensing official’s office.

**Distribution**
A portion of the fees collected in accordance with the MLI law is used by the department exclusively for the operation and management of the mandatory liability insurance law. Fifteen percent (15%) of the net proceeds of reinstatement fees received by the department is deposited by the department into the Alabama Peace Officers’ Annuity and Benefit Fund, as authorized by Section 36-21-66. After the payment of the expenses, the remaining funds are deposited into the General Fund.

If the fees are collected by the vehicle owner’s license plate issuing official, the Administrative Office of Courts, or the circuit clerk of any county, these entities will remit the fee, less retained fees, as prescribed by statute, to the department.

**Manufactured Home Title and Cancellation Fee**

**Authority**

**Basis**
Fee required of owners of manufactured homes designated not more than twenty model years old.

Each application for first certificate of title $20*
Each application for transfer of certificate of title $20*
Each application for cancellation of a certificate of origin or certificate of title $20*
Each application for replacement certificate of title $15
Each notice of security interest $15
Each assignment by lien holder $15
<table>
<thead>
<tr>
<th>Service</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Each title history</td>
<td>$15</td>
</tr>
<tr>
<td>Each application for corrected title</td>
<td>$15</td>
</tr>
<tr>
<td>Each title printout</td>
<td>$5</td>
</tr>
</tbody>
</table>

**Payment**
Application and fee forwarded to the Alabama Department of Revenue, Motor Vehicle Division, by designated agents of the department.

Designated agents include all licensing officials in Alabama who are authorized and required by law to issue motor vehicle license plates, licensed manufactured home dealers, and financial institutions that qualify.

**Distribution**
General Fund.
*$5 of each fee is designated to go to the nonprofit 501(c)3 foundation known as the Alabama Housing Foundation.

**Manufactured Home Registration Fee**

**Authority**
Sections 40-7-1, 40-8-1, 40-11-1, 40-12-252, and 40-12-255, Code of Alabama 1975.

**Basis**
Registration fee in lieu of property taxes on manufactured homes in Alabama which are rented or leased or located on land owned by someone other than the owner of the manufactured home. (An owner-occupied manufactured home located on land owned by the occupant is subject to property taxes.)

A decal is displayed on each unit and serves as proof of payment of the fee due. Dealer or manufacturer inventory units are not subject to the registration fee.

**Rate**
Owner-occupied:
$24 single wide (one transportable module).
$48 double wide (two or more transportable modules).

All others:
$48 single wide (one transportable module).
$96 double wide (two or more transportable modules).
Manufactured homes 10 years old or older shall be subject to 75% of the fees above, while those 20 years or older shall be subject to 50% of the fees above. Additionally, each manufactured home registered is subject to a $5 issuance fee at the time of registration.
Payment
Registration and payment will take place in the county in which the manufactured home is customarily located.

Decals will be issued by the county official that collects property tax on manufactured homes.

Fees are due October 1 each year and will be considered delinquent after November 30.

Distribution
Registration Fee
State General Fund – 25%
County General Fund – 25%
County School Board – 25%
* Unless the manufactured home is located within the city school district, in which case this portion will go to the city school board.
City or municipality where the manufactured home is located – 25%.

Should the manufactured home be located outside the corporate limits of the nearest city or municipality, then this portion will go to the County General Fund.

Issuance Fee
An additional $5 issuance fee is charged by the issuing official.

Mineral Documentary Tax

Authority

Basis
Filing and recording any instrument creating a leasehold interest in any non-producing oil, gas, or other similar mineral interest in Alabama and upon every deed, instrument, transfer, or evidence of sale conveying interest or right to receive royalties from such property.

Rate
Minimum fee – $1.
Term of leasehold less than 10 years – $.05 per mineral or royalty acre.
Term of leasehold more than 10 but less than 20 years – $.10 per mineral or royalty acre.
Term of leasehold greater than 20 years – $.15 per mineral or royalty acre.

Payment
Paid one time to probate judge of the county containing property upon filing instrument of record, in lieu of payment of property tax.
Distribution
35% – County General Fund.
35% – County Public School Fund.
30% – State General Fund.

Mobile Telecommunication Services Tax

Authority

Basis
Privilege tax on providing mobile telecommunication services in Alabama.

Rate
6% on monthly recurring access charges and all airtime charges.

Payment
File return and remit tax by the 20th of each month to the Alabama Department of Revenue, Sales and Use Tax Division, for the preceding month’s liability.

Taxpayers with an average monthly tax liability of $10,000 or more during the preceding calendar year shall pay, by the 20th of the month in which the liability occurs, an estimated amount not less than the actual tax liability for the same month during the preceding year.

Distribution
Amount to be appropriated for use by the State Treasurer to pay at the respective maturities of the principal and interest due in the fiscal year on the outstanding bonds issued by the Alabama Revolving Loan Fund Authority.

One-third of the remaining proceeds, plus $1.5 million to the Education Trust Fund.

The residual balance thereof remaining to the State General Fund.

Motor Carrier Mileage Tax

Authority

Basis
Motor carrier hired for transportation of persons or property on the highways of Alabama.
Rate
Seating Capacity Tax Rate:
Not less than 9 nor more than 16: 1/4 cents per mile
17–21: 1/2 cents per mile
22–25: 3/4 cents per mile
Greater than 25: 1 cent per mile

Payment
File and remit to the Alabama Department of Revenue, Business and License Tax Division, Motor Fuels Section, by the 15th of the month after tax accrues.

Exemption
Tour bus operations are exempted from the provisions of the motor carrier mileage tax law.

Distribution
Public Service Commission operating costs.
Balance – State Highway Fund.

Motor Vehicle Carrier Permit Fees

Authority
Sections 37-3-1 through 37-3-34, Code of Alabama 1975.

Basis
Fee for any person transporting passengers or property by motor vehicle for compensation in Alabama, whether directly or by lease, contract or other arrangement.

Rate
$100 For intrastate certificate of public convenience or permit.
$100 For amendment of an intrastate certificate or permit.
$25 For interstate registration.
$25 For transfer of a certificate or permit.
$10 For approval of a lease of a certificate for a period of more than six months.
$4 Registration fee for every motor vehicle used by a motor carrier on a state highway.

Payment
To the Alabama Public Service Commission upon application by the motor carrier.

Distribution
General Fund.
Motor Vehicle Certificate of Title Fee

Authority
Sections 32-8-1 through 32-8-88, Code of Alabama 1975.

Basis
Fee required of owners of motor vehicles designated 35 model years old or newer and travel trailers designated 20 model years old or newer.

Registrants must have a certificate of title or an application for certificate of title before license plates can be issued.

Rate

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<tr>
<th>Service</th>
<th>Fee</th>
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<tr>
<td>Replacement certificate</td>
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<td>Transfer of certificate of title</td>
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<td>Title history</td>
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<td>Corrected title</td>
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<td>Salvage title</td>
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<td>Title printout*</td>
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<tr>
<td>Registration printout*</td>
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<tr>
<td>Notice of Junk Cancellation**</td>
<td>$ 5</td>
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</tbody>
</table>

Payment
Every designated agent must electronically submit the application for certificate of title to the Alabama Department of Revenue, Motor Vehicle Division. Payment of application fees must also be remitted electronically.

Designated agents are all licensing officials in Alabama who are authorized and required by law to issue motor vehicle license plates, and the following entities, which are legally authorized to do business in Alabama and have a place of business in Alabama: automobile dealers, manufactured home dealers, financial institutions, pawnshops, and insurance companies.

Distribution
General Fund.
*Distribution designated as follows: 50% to general fund and 50% to motor vehicle training and technology fund.
**Distribution to motor vehicle training and technology fund. In lieu of a per transaction fee, automotive dismantler and parts recyclers and secondary metals recyclers may pay an annual fee of $500. The annual fee is also distributed to the motor vehicle training and technology fund.
Motor Vehicle Dealer, Rebuilder, Wholesale and Off-Site Sales Licenses

Authority
Sections 40-12-390 through 40-12-400, Code of Alabama 1975.

Basis
New Motor Vehicle Dealer – any person, firm, or corporation which holds a bona fide contract or franchise in this state in effect with a manufacturer or distributor of new motor vehicles and is engaged in the business of selling, advertising or negotiating the sale of new motor vehicles or new and used motor vehicles, to include trailers (except those not subject to titling in this state) and motorcycles. The term also includes a motor vehicle rebuilder and motor vehicle wholesaler.

Used Motor Vehicle Dealer – any person, firm, or corporation engaged in the business of buying, selling, exchanging, advertising, or negotiating the sale of five or more motor vehicles at retail during a calendar year, to include trailers (except those not subject to titling in this state) and motorcycles. The term also includes a motor vehicle rebuilder and motor vehicle wholesaler.

Motor Vehicle Rebuilder – any person, firm, or corporation engaged in the business of making or causing to be made extensive repairs, replacements, or combination of different motor vehicles to the extent of extinguishing the identity of the original vehicle to the extent finished vehicle may be assigned a new identification number by the Department of Revenue. This term also includes refurbishing, repairing, or replacing damaged parts of motor vehicles for the purpose of preparing the vehicle for resale under the same identification and identity as the vehicle had before the refurbishing.

Motor Vehicle Wholesaler – any person, firm, or corporation engaged in the business of buying, selling, or exchanging motor vehicles at wholesale to motor vehicle dealers and not to the public.

Rate

<table>
<thead>
<tr>
<th>Category</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>New motor vehicle dealer</td>
<td>$25</td>
</tr>
<tr>
<td>Used motor vehicle dealer</td>
<td>$25</td>
</tr>
<tr>
<td>Wholesaler</td>
<td>$25</td>
</tr>
<tr>
<td>Rebuilder</td>
<td>$25</td>
</tr>
<tr>
<td>Each additional place of business</td>
<td>$25</td>
</tr>
</tbody>
</table>
| Off-site sales license          | $25   | Limited to three per dealer license year.

A privilege license under Sections 40-12-51, 40-12-62, or 40-12-169 is needed for each off-site sale.
Payment
Applications are electronically filed with the Alabama Department of Revenue, Motor Vehicle Division. Dealers may apply for licenses beginning August 1 of each year. Licenses are valid from October 1 to September 30 of each year. Off-site sales licenses are only valid for 10 consecutive calendar days.

Distribution
General Fund.

Motor Vehicle Registration Fees

Authority
Sections 40-12-240 through 40-12-302 and 32-6-51 through 32-6-680, Code of Alabama 1975.

Basis
Motor vehicle operation and use upon the public highways of Alabama.

Rate
<table>
<thead>
<tr>
<th>Category</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger cars and pickup trucks</td>
<td>$23 to $105</td>
</tr>
<tr>
<td>Motorcycles</td>
<td>$15</td>
</tr>
<tr>
<td>Buses (based on seating)</td>
<td>$47.50 to $210</td>
</tr>
<tr>
<td>Taxicabs (based on weight)</td>
<td>$21 to $40</td>
</tr>
<tr>
<td>Hearses and ambulances (based on city population)</td>
<td>$15 to $55</td>
</tr>
<tr>
<td>Trucks and truck-tractors (based on gross wt.)</td>
<td>$23 to $890</td>
</tr>
<tr>
<td>Motor homes (based on gross wt.)</td>
<td>$23 to $890</td>
</tr>
<tr>
<td>Commercial trailers</td>
<td>$20</td>
</tr>
<tr>
<td>Travel and utility trailers</td>
<td>$12</td>
</tr>
<tr>
<td>Rental utility trailers</td>
<td>$15</td>
</tr>
<tr>
<td>Permanent trailers</td>
<td>$60</td>
</tr>
</tbody>
</table>

Payment
Remit to license plate-issuing official in county of residence (if an individual) or where the vehicle is principally used (if a business). Fees can be remitted to participating city license plate issuing officials for Jefferson County residents only. Registration is staggered based on the first letter of the individual’s last name:

- **January:** A, D
- **February:** B
- **March:** C, E
- **April:** F, G, N
- **May:** H, O
- **June:** M, I
- **July:** P, L
- **August:** J, K, R
- **September:** Q, S, T
- **October:** U, V, W, X, Y, Z

50
Trucks and commercial and fleet vehicles will be registered during October and November of each year.

**Distribution**
The additional fee of $10 for passenger automobiles and pickup trucks and the additional fee of $8 for motorcycles are distributed to the state’s general fund for use by the Public Safety Department for enforcing traffic and motor vehicle laws. The remaining balance is distributed as follows:

**Base Amount:**
- 72% Public Road and Bridge Fund
- 21% City or County of Residence
- 7% Cities and Counties

**Additional Amount: (For Trucks)**
- 64.75% Public Road and Bridge Fund
- 35.25% Counties

**Nursing Facility Tax**

**Authority**

**Basis**
Privilege tax on the business activities of every nursing facility in Alabama.

**Rate**
Annual rate of $1,899.96 per year for each bed in the facility and a supplemental rate of $1,603.08 for each bed in the facility. The current supplemental privilege assessment and monthly surcharge on nursing facilities extends to August 31, 2019. Beginning with the monthly payment for the supplemental privilege assessment due on September 20, 2012, the monthly surcharge will be $43.75 per licensed bed. Act 2015-536 imposed a secondary supplemental privilege assessment. The additional monthly surcharge will be $33.44 for each bed in the nursing facility to be collected for the period October 1, 2015 through August 31, 2019.

**Payment**
File return and remit monthly installment payment to Alabama Department of Revenue, Sales and Use Tax Division, on or before the 20th day of the month for the preceding month’s liability.

**Distribution**
Alabama Health Care Trust Fund.
Oil and Gas Privilege Tax

Authority

Basis
Engaging in the business of producing or severing oil or gas within the state.

Rate
4% Privilege
• Oil wells producing 25 BBLS or less per day.
• Gas wells producing 200 MCF or less per day.
• Incremental production from qualified enhanced recovery projects and supplemental enhanced recovery projects approved by State Oil and Gas Board.

6% Privilege
• Offshore wells, at depths less than 8,000 feet below mean sea level, granted permits on or after July 1, 1988, by State Oil and Gas Board.
• Onshore wells permitted on or after July 1, 1988, except those qualifying for lower tax rates.

8% Privilege
• Tax on all other taxable production not covered under above provisions.

3.65% Privilege
• Offshore wells producing from depths greater than 8,000 feet below mean sea level, computed as a percentage of gross proceeds.

Reduced Privilege Tax
Any well permitted between July 1, 1996, and July 1, 2002, that is not a replacement well, will qualify for a 50% tax rate reduction for five years from first production.

Exemption
Natural gas lawfully injected into oil or gas pools, or reservoirs in the soil, or beneath the soil or waters of the state for the purpose of lifting oil or gas is exempt from this tax. However, if any gas injected is sold or injected into underground storage facilities, that gas shall not be exempt from this tax. Natural gas lawfully vented or flared in connection with the production, treatment, or processing of oil or gas is exempt from the tax.

Payment
File return and remit payment to the Alabama Department of Revenue, Business and License Tax Division, Severance and License Section, by the 15th day of the second month following production.
**Distribution**

**Onshore:**
25% - General Fund.
75% - Distributed as follows:
   • 16-2/3% - General Fund.
   • 16-2/3% - Counties where severed.
   • 66-2/3% - Distributed as follows:
     • 25% - Counties where severed.
     • 10% - Municipalities where severed.
     • First $150,000 of remainder:
       • 50% - State General Fund.
       • 42-1/2% - Counties where severed.
       • 7-1/2% - Municipalities.
     • Remainder:
       • 84% - State General Fund.
       • 14% - Counties where severed.
       • 2% - Municipalities.

**Offshore:**
90% - General Fund.
10% - Counties where severed.

**Oil and Gas Production Tax**

**Authority**

**Basis**
Production of oil or gas from a well in Alabama.

**Rate**
2% of gross value at point of production.
1% for any well permitted between July 1, 1996, and July 1, 2002, that is not a replacement well, for five years from first production.
1.66% for offshore wells producing from depths greater than 8,000 feet below mean sea level, computed as a percentage of gross proceeds.

**Payment**
Paid to the Alabama Department of Revenue, Business and License Tax Division, Severance and License Section, by the 15th day of the second month following production.

**Distribution**
General Fund.
Pari-Mutuel Pool Tax

Authority

Basis
Privilege tax on every person engaged in the business of operating a dog race track in the state.

Rate
1% of the pari-mutuel pool on all pari-mutuel races.
In addition, there is also a 1% levy on the pari-mutuel pool on all races requiring the selection of three or more racers.

Payment
File and remit payment by the 20th day of each month to the Alabama Department of Revenue, Business and License Tax Division, Severance and License Section.

Distribution
General Fund.

Partnership Income Tax

Authority
This is a component of Individual and Corporate Income Tax.

Basis
Partnerships are a pass-through entity. Income is calculated on the partnership informational return, Form 65. The income is reported and taxes paid on the partners’ (individual or corporate) income tax returns.

Payment
Partnerships (other than QIPs, low income housing projects, and large partnerships treated as corporations) with nonresident partners must file Form PTE-C and remit a composite payment of 5% of the nonresident partners’ share of income. The form and any tax due should be remitted on or before the 15th day of the third month following the close of the partnership’s accounting period. Returns and payments should be filed with the Alabama Department of Revenue, Individual and Corporate Tax Division, Pass Through Entity Unit.

Distribution
Pharmaceutical Providers Tax

Authority

Basis
Privilege tax on the business activities of every provider of pharmaceutical services to Alabama citizens, except for pharmacies serving hospital inpatients or pharmacies owned or operated by the state of Alabama.

Rate
Ten cents for each prescription filled or refilled for a citizen of Alabama.

Payment
File and remit tax to Alabama Department of Revenue, Sales and Use Tax Division, by the 20th of the month for the preceding month’s liability.

Distribution
Alabama Health Care Trust Fund.

Prepaid Wireless 9-1-1 Charge

Authority

Basis
Each retail transaction involving the sale of prepaid wireless telecommunications services.

Rate
Effective August 1, 2014, the charge per retail transaction occurring in this state increased to $1.75.

Payment
File return and remit monthly payment to the Alabama Department of Revenue, Sales and Use Tax Division, on or before the 20th day of the month for the preceding month’s liability.

Distribution
Commercial Mobile Radio Services Board and, upon the effective date of the statewide 9-1-1 charge, to the statewide 9-1-1 Board.

Property (Ad Valorem) Tax

Authority
Sections 40-1-1 through 40-11-4 and 40-21-1 through 40-21-34, Code of Alabama 1975; Amendment 373, Constitution of Alabama of 1901.
**Basis**
Ownership of real and personal property within this state.

**Rate**
The state tax rate is 6.5 mills.

County millages vary from 17.5 mills to 55.8 mills. City millages vary from zero to 49.3 mills.

Counties and cities may decrease their ad valorem tax rate, provided the decrease does not jeopardize the payment of bonded indebtedness.

Any increase in the county and municipal tax rate must be approved by the governing authority, the legislature, and the voters of the taxing jurisdiction. The county commission, at its first regular meeting in February, shall levy the amount of general taxes required for county expenses for the current year, not to exceed 1/2 of 1% of the value of taxable property as shown by the books of assessment.

All nonexempt property is divided into the following classes and subject to the assessment ratios indicated:

- **Class I** All utility property used in such utilities. 30%
- **Class II** All property not otherwise classified. 20%
- **Class III** All agricultural, forest, and single-family, owner-occupied residential property, including owner-occupied residential manufactured homes (formerly known as “mobile homes”) located on land owned by the manufactured home owner, and historic buildings and sites. Residential property shall include single-family dwellings and the fully-developed underlying lot owned by a home builder licensed by the Alabama Homebuilders Licensure Board or who is otherwise authorized by the board to construct single family homes; authorized by the board to construct single family homes; provided that this classification shall not exceed a period of 24 months. 10%
- **Class IV** All private passenger automobiles and motor trucks of the type commonly known as “pickups” or “pickup trucks” owned and operated by an individual for personal or private use and not for hire, rent, or compensation. Automobiles and “pickup” trucks under lease-purchase option agreements which are leased by an individual for personal or private use are also included. 15%

One tax rate must be applied to all property taxed by the state. One tax rate must be applied to all property taxed by a county, municipality, or other taxing authority within its taxing jurisdiction.
With the exception of the cities of Mountain Brook, Vestavia Hills, and Huntsville, the amount of property tax paid on any item of taxable property shall never exceed the percentage of market value for that class as shown below:

<table>
<thead>
<tr>
<th>Class</th>
<th>Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class I</td>
<td>2% 66.7 Mills</td>
</tr>
<tr>
<td>Class II</td>
<td>1-1/2% 75 Mills</td>
</tr>
<tr>
<td>Class III</td>
<td>1% 100 Mills</td>
</tr>
<tr>
<td>Class IV</td>
<td>1-1/4% 83.3 Mills</td>
</tr>
</tbody>
</table>

All taxable property is to be appraised at its fair and reasonable market value, with the exception of Class III property, which may be appraised by the assessor on current use value if the owner of the property requests. All taxpayers have the right to appear before the county board of equalization concerning property valuation.

Exemption
Homesteads, whose owners are less than 65 years of age, are exempt from state levied property taxes not to exceed $4,000 in assessed value, or 160 acres in area for any resident of this state who is not over 65 years of age. Homesteads of residents of this state, over 65 years of age, or who are retired due to permanent and total disability, regardless of age, or who are blind as defined in Section 1-1-3, regardless of age or whether such person is retired, shall be exempt from all state levied property taxes.

Homesteads, whose owners are less than 65 years of age, are exempted from county levied property taxes, except countywide and school district property taxes levied for school purposes, not to exceed $2,000 in assessed value, nor 160 acres in area. An additional exemption, not to exceed $4,000 in assessed value may be granted for county and municipal taxes, provided county wide school district or municipal school district exemptions are approved by resolution of the governing body and school system boards.

Homesteads, whose owners are 65 years of age or older, with an annual adjusted gross income of less than $12,000, as reflected on the most recent state income tax return or some other appropriate evidence, or who are retired due to permanent and total disability, regardless of age, or who are blind as defined in Section 1-1-3, regardless of age or whether such person is retired, are exempted from property taxes levied by any county of this state, including taxes levied for school districts, not to exceed $5,000 in assessed value, nor 160 acres in area.

The principal residence and 160 acres adjacent thereto of any person who is 65 years of age or older having a net annual taxable income of $12,000 or less, as shown on such person’s and spouse’s latest United States income tax return or some other appropriate evidence acceptable to the department or who is permanently and totally disabled, regardless of age or income, are exempt from all
state, county and municipal property taxes on their principal residence.

Property tax exemptions include state, county, and municipal property; property devoted exclusively to religious worship, educational, or charitable purposes; household and kitchen furniture; farm tractors, farming implements used for agricultural purposes by the owner; stocks of goods, wares, and merchandise; and manufactured homes rented or leased, not located on land owned by the manufactured home owner (these homes must be registered).

In order to encourage the development of new industry in the state, as well as to encourage the expansion of existing industry, there are provisions in the law for exemptions from property taxes in some cases.

Manufacturers of calcium cyanamid, aluminum, or aluminum products are specifically exempt from all state, county, and municipal property tax levies for ten years.

**Payment**

Individuals, partnerships, corporations, etc., pay tax annually to county tax collectors between October 1 - December 31, following assessment.

Public utilities and railroads file returns annually with the Alabama Department of Revenue, Property Tax Division, by March 1. Assessments are made by the department and collected by the counties.

**Distribution**

3 mills: (46.15%) – Public School Fund.
2.5 mills: (38.46%) – General Fund.
1 mill: (15.38%) – Human Resources Fund.

**Recordation Tax**

**Authority**


**Basis**

Recordation of mortgages, deeds, bills of sale, conditional sale contracts, etc.

**Rate**

Mortgages – $.15 per $100 of indebtedness or fraction thereof. (Also deeds of trust, conditional sale contracts, etc.)

Deeds – $.50 per $500 of value or fraction thereof. (Also bills of sale.)
Payment
Paid to probate judge upon presentation for record; except for deeds conveying property in two or more counties, mortgages conveying property both within and without Alabama, and open-end mortgages.

In the instances noted above, the tax is also paid to probate judges, but only after petition is made to the Department of Revenue and the department has issued an order determining the amount and distribution of said tax.

Distribution
2/3 – General Fund.
1/3 – County.

Rebuilt (Salvage) Vehicle Inspection Fee

Authority
Section 32-8-87(1), Code of Alabama 1975.

Basis
Inspection fee for inspection of salvage vehicle restored to operating condition which existed before event which caused a salvage motor vehicle title to be issued. Fee pays for costs of inspection to determine that the identification numbers of the vehicle or its parts have not been removed, falsified, altered, defaced, destroyed, or tampered with and that there are no indications that the vehicle or any of its parts are stolen.

Rate
$75.00 per application for inspection.

Payment
Payable to Alabama Department of Revenue, Motor Vehicle Division, with submission of application for inspection form (INV 26-15) plus title fee of $15.00 and supporting documents.

Distribution
To the Alabama Department of Revenue for “personnel and maintenance costs of the vehicle inspection program.”

Rehabilitation, Preservation and Development of Historic Structures Credit

Authority

Basis
Income tax credits for private homeowners and owners of commercial properties
who substantially rehabilitate historic properties that are listed in or eligible for the National Register of Historic Places and are 60 years old or older will be issued using sales tax revenues in the Education Trust Fund by annual transfer into the Historic Preservation Income Tax Credit Account.

**Rate**
Income tax credits for rehabilitation of historic structures are equal to 25% of the qualified rehabilitation expenditures for certified historic structures, not exceeding $5,000,000 for all allowable project types except for certified residential structures, and $50,000 for certified historic residential structures. The income tax credit must be claimed by the taxpayer for the taxable year in which the certified rehabilitation is placed in service. The credit is refundable and transferable but cannot be carried forward.

For the tax years 2018 through 2022, the aggregate amount of all tax credits that may be reserved in any one of such years by the Alabama Historical Commission and certification of such rehabilitation of historic projects shall not exceed twenty million ($20,000,000), with no more than one hundred million ($100,000,000) reserved by the Alabama Historical Commission during the period from May 25, 2017, through December 31, 2022.

**Payment**
For tax years beginning January 1, 2018, any Alabama income tax credit due an owner or transferee of a certified rehabilitated historic structure will be issued upon 1) a tax credit certificate being issued by the Alabama Historical Commission or a transfer tax credit certificate being issued by the Alabama Department of Revenue, and 2) the taxpayer filing the appropriate income tax return within the time prescribed for filing income tax returns.

**Distribution**
The Commissioner of Revenue will certify to the comptroller the amount of income tax credits due to owners or transferees of a certified rehabilitated historic structure, and the comptroller will transfer into the Historic Preservation Income Tax Credit Account only the amount of sales tax revenues sufficient for the Department of Revenue to use to cover the income tax credits for the applicable tax year. The Commissioner of Revenue shall distribute the funds in the account to the owners or transferees of the certified rehabilitation of historic structures.

**Rental or Leasing Tax**

**Authority**
Section 40-12-220 through 40-12-227, Code of Alabama 1975.

**Basis**
Privilege tax on persons engaging in the business of leasing or renting tangible personal property.
Rate
4% of gross proceeds from leasing or rental of tangible personal property.

1.5% of gross proceeds from leasing or renting automotive vehicles, truck trailers, semi-trailers, or house trailers.

2% of gross proceeds from leasing or rental of linens or garments.

Payment
File return and remit tax to the Alabama Department of Revenue, Sales and Use Tax Division, by the 20th of month for preceding month’s liability.

Taxpayers whose total state rental tax liability for the preceding calendar year averaged less than $200 per month may elect to file and pay state rental tax on a calendar quarter basis (prior approval required).

Taxpayers whose total state rental tax liability for the preceding calendar year was $10 or less may file and pay state rental tax on a calendar year basis (prior approval is required).

Quarterly and annual returns are due by the 20th of the month following the period covered by the return.

Distribution
General Fund.

Rebuilt (Salvage) Vehicle Inspection Fee

Authority
Section 32-8-87(1), Code of Alabama 1975.

Basis
Inspection fee for inspection of salvage vehicle restored to operating condition which existed before event which caused a salvage motor vehicle title to be issued.
Fee pays for costs of inspection to determine that the identification numbers of the vehicle or its parts have not been removed, falsified, altered, defaced, destroyed, or tampered with and that there are no indications that the vehicle or any of its parts are stolen.

Rate
$75 per application for inspection.

Payment
Payable to Alabama Department of Revenue, Motor Vehicle Division, with submission of application for inspection form (INV 26-15) plus title fee of $15 and supporting documents.
Distribution
To the Alabama Department of Revenue for “personnel and maintenance costs of the vehicle inspection program.”

Sales Tax

Authority

Basis
Gross proceeds from sale of all taxable items for consumption or other use to consumers (except as specifically exempted by law) within Alabama and the gross receipts from conducting or operating public places of amusement or entertainment.

Rate
4% of gross proceeds of sale of tangible personal property.
4% of gross receipts from conducting or operating public places of amusement or entertainment.
2% of net trade difference of new or used automotive vehicles, truck trailers, semi-trailers or house trailers.
2% of gross proceeds of sale of manufactured home set-up materials and related supplies.
1.5% selling price of machinery used in mining or manufacturing tangible personal property.
1.5% of net trade difference of new or used farm machines, machinery, and equipment that is used in production of agricultural produce or products, livestock or poultry on farms.
3% of retail selling price of food products sold through vending machines.
The Department of Revenue collects and administers approximately 200 county and municipal sales and/or gross receipts taxes ranging in rate between 1/4 of 1% to 5%. In addition, some counties and municipalities may choose to administer their own sales and/or gross receipts taxes.

Payment
File and remit tax to the Alabama Department of Revenue, Sales and Use Tax Division, by the 20th of the month for the preceding month’s liability.

Taxpayers whose total state sales tax liability for the preceding calendar year averaged less than $200 per month may elect to file and pay state sales tax on a calendar quarter basis (prior approval required).

Taxpayers whose total state sales tax liability for the preceding calendar year was $10 or less may file and pay state sales tax on a calendar year basis (prior approval required).
Quarterly and annual returns are due by the 20th of the month following the period covered by the return.

Taxpayers with an average monthly tax liability of $2,500 or greater during the preceding calendar year shall pay, by the 20th day of the month in which the liability occurs, an estimated amount equal to the lesser of 2/3 of the taxpayer’s actual tax liability for the same calendar month of the preceding year or 2/3 of the current month’s estimated liability.

**Distribution after the deduction of collection costs**

Education Trust Fund, except as follows:

- $378,000 is distributed to the Counties.
- $1,322,000 is distributed to the Department of Human Resources.
- 42% of the 2% tax on gross proceeds from sale of automotive vehicles and from sale of mobile home set-up materials and related supplies goes to the General Fund.

An amount equal to 5% of the value of food stamp benefits issued statewide in excess of the amount paid by recipients is distributed to the Department of Human Resources.

An amount for debt service is distributed to the Alabama Public School and College Authority.

Revenue generated from $400 discount cap goes to pay debt service on bonds issued by the Alabama State Parks System Improvement Corporation and/or the Alabama Public Historical Sites and Parks Improvement Corporation and to pay the greater of $5 million or $5 million adjusted by a percentage growth in receipts from the cap allocated to the Department of Conservation and Natural Resources for repairs and capital outlays for state parks. The balance goes to the General Fund. Act No. 2011-642, effective October 1, 2011, amended Section 40-23-35, Code of Alabama 1975, to change the distribution of the sales tax discount. The act provides that only for fiscal years ending September 30, 2012, and September 30, 2013, the $5 million normally disbursed to the Department of Conservation and Natural Resources will, instead, be disbursed to the State General Fund.

Beginning January 1, 2016, all proceeds from the tax on sales of consumable vapor products will be disbursed to the General Fund.

**Scrap Tire Environmental Fee**

**Authority**

Basis
Fee on sale of new, used or retread tires, whether mounted or not, to the consumer.

Rate
$1 per tire.

Payment
File and remit to the Alabama Department of Revenue, Business and License Tax Division, Severance and License Section. Payment is due by the 20th of each month for the previous month’s operation.

Distribution
All fees collected, less administrative expenses, are deposited into the Scrap Tire Fund to be distributed for use by the Alabama Department of Environmental Management.

Simplified Sellers Use Tax Remittance Program (SSUT)

Authority

Basis
Gross proceeds of sales of tangible personal property from eligible sellers located outside of Alabama selling into the state. Offers a flat statewide tax with no additional local tax collection authority.

Rate
Flat 8% statewide tax on gross proceeds of sales of tangible personal property.

Payment
File and remit tax to the Alabama Department of Revenue, Sales and Use Tax Division, by the 20th of the month for the preceding month’s liability. Electronic filing and payment required.

Distribution
50% to the state.
75% State General Fund.
25% Education Trust Fund.
50% to the local governments within the state.
50% Counties. (40% effective January 1, 2019)
50% Cities. (60% effective January 1, 2019)
Solid Waste Disposal Fee

Authority

Basis
Fees levied upon generators of solid waste disposing of the waste at permitted solid waste management facilities.

Rate
$1 per ton for all waste disposed of in a municipal solid waste landfill, regulated solid waste that may be approved by ADEM as alternate cover materials in landfills and regulated solid waste received from out-of-state for disposal at permitted public solid waste facilities.

$1 per ton or $.25 per cubic yard for all waste disposed of in public industrial landfills, construction and demolition landfills, non-municipal solid waste incinerators, or composting facilities, which receive waste not generated by the permittee; regulated solid waste that may be approved by ADEM as alternate cover materials in landfills; and regulated solid waste received from out-of-state for disposal at permitted public solid waste facilities.

$.25 per cubic yard for all waste disposed of in a private solid waste management facility, not to exceed $1,000 per calendar year.

Payment
File a quarterly report and remit to the Alabama Department of Revenue, Business and License Tax Division, Severance and License Section. Payment is due no later than the 20th day of January, April, July, and October on all waste delivered to the solid waste facilities for disposal.

Distribution
25% - Alabama Recycling Fund (ARF).
25% - Solid Waste Fund (SWF).
45% - Alabama Department of Environmental Management (ADEM).
  4% - Retained by Owners/Operators collecting the solid waste fee.
  1% - Alabama Department of Revenue.

State Horse Wagering Fee

Authority

Basis
Fee on each licensed horse-racing operator.
Rate
1% of the operator’s horse-racing handle.

Payment
Remit payment by the end of the calendar month for activity during the preceding calendar month to the Alabama Department of Revenue, Business and License Tax Division, Severance and License Section.

Distribution
General Fund.

Store and Chain Store License

Authority
Sections 40-12-310 through 40-12-319, Code of Alabama 1975.

Basis
Any person, firm, corporation, association, or co-partnership, foreign or domestic, is required to obtain a license to operate, maintain, open, or establish any store in this state in which goods, wares, or merchandise of any kind are sold, at either retail or wholesale.

Two or more stores which are under a single or common ownership or management, if directly or indirectly owned or controlled by a single person or group having a common interest, shall be termed a chain of stores and shall be required to pay the additional license tax for each store so maintained.

Rate

1 Store $1
2-5 Stores $15 each additional store
6-10 Stores $22.50 each additional store
11-20 Stores $37.50 each additional store
More than 20 $112.50 each additional store

New businesses beginning on or after April 1 may pay one-half of the full rate for a part-year license.

Payment
Store/chain store licenses are due and payable by October 1 and delinquent on November 1. Licenses are issued by the county-issuing authority at the courthouse in the county where the principal or main store is located.

Distribution
Education Trust Fund.

Authority
Sections 6-12-1 through 6-12-4 and 6-12A-1 through 6-12A-7, Code of Alabama 1975.

Basis
Provides that tobacco product manufacturers not signatory to the Master Settlement Agreement (MSA) establish a qualified escrow account, make quarterly deposits into the account based on its cigarette and roll-your-own distributions into the State, and file quarterly forms certifying the amount deposited into escrow and the number of cigarette and roll-your-own units distributed. The statute further provides for a monthly report from tobacco distributors identifying manufacturers of cigarettes and roll-your-own tobacco who are not participating from those who are participating in the MSA and whose products were sold tax-paid in Alabama. Additionally, effective April 8, 2014, any cigarettes and roll-your own sold in a transaction not exempted from Alabama taxation by federal statute or constitution shall also be shown on the monthly report. It also provides for a yearly certification by all tobacco products manufacturers (TPMs) wishing to distribute their product in the State. All tobacco product manufacturers are required to have their name and brand(s) listed on the Directory of Cigarettes Approved for Stamping and Sale in Alabama to legally distribute their products in the state.

Payment
Non-participating manufacturers are to make quarterly escrow deposits by January 31, April 30, July 31, and October 31.

Amounts to be placed into the escrow fund, as adjusted for inflation, are as follows: For 2007 and each year thereafter: $.0188482 per unit sold.

Distribution
Non-compliant NPM civil penalties collected by the Legal Division; distributor failure to timely file penalties and amounts collected via the NPM’s quarterly posted bond:
100% - General Fund.

Tobacco Tax

Authority
Basis
Sale, storage, use, or distribution of tobacco products by wholesalers, retailers, and consumers.

Rate
$.675 on each package of 20 cigarettes. On other tobacco products such as cigars, filtered cigars, cigar wrappers, smoking tobacco, chewing tobacco, and snuff, rates vary, depending on weight or number of cigars received.

Payment
For cigarettes (state and state-administered counties), tax is paid by affixing stamps. For other tobacco products, a report (state and state-administered counties) shall be submitted to the state with the appropriate tax remitted.

File and remit to the Alabama Department of Revenue, Business and License Tax Division, Tobacco Tax Section, by the 20th of the month for the stamps purchased on consignment and/or products handled during the preceding month.

In addition to state tobacco taxes, cigarettes and other tobacco products are subject to taxation at the local level.

The department administers these taxes in some counties. State-administered local tobacco taxes range from $.04 to $.25 per pack of cigarettes and other tobacco products of various packages and containers and up to $.25 per package of rolling papers.

Municipal taxes, where applicable, are collected and administered by the municipality or its designated agent.

Distribution
Cigarettes
24.44% as follows:
• 66.67% - General Fund
• 12.12% - Bonds maturing for purpose of acquiring and constructing mental health facilities, remainder to General and Mental Health Fund
• 6.06% - State Public Welfare Trust Fund
• 6.06% - Bonds issued by State Parks Development Authority, remainder to State Parks Fund
• 9.09% - IDA Bonds, Remaining to “General and Mental Health Fund”

75.56% as follows:
• $2 million to counties to offset administrative expenses
Balance--General Fund for Medicaid services

Other Tobacco Products 100% – General Fund
Transient Occupancy (Lodgings) Tax

Authority
Section 40-26-1 through 40-26-21, Code of Alabama 1975.

Basis
Renting rooms, lodgings, or accommodations to transients in any hotel, motel, inn, tourist camp, or cabin, except where accommodations are furnished for a period of 180 continuous days or more.

Rate
5% in the following counties:
Blount, DeKalb, Lauderdale, Marion, Cherokee, Etowah, Lawrence, Marshall, Colbert, Franklin, Limestone, Morgan, Cullman, Jackson, Madison and Winston

4% in all other counties:
In addition to the above, several counties and municipalities levy local lodgings taxes, ranging in rate between 1% and 12%. Some of the local lodgings taxes are collected by the Department of Revenue and others are self-administered.

Payment
File return and remit tax to the Alabama Department of Revenue, Sales and Use Tax Division, and to the proper local authority, by the 20th of month for the preceding month’s liability.

Distribution
4% tax:
75% – General Fund
25% – Bureau of Tourism and Travel
1% tax:
50% - Alabama Mountain Lakes Association
50% - Respective Counties

TVA Electric Payment

Authority

Basis
The Tennessee Valley Authority (TVA) makes annual payments to Alabama, in lieu of taxes, under federal law, 16 U.S.C. Section 831.

Payment
Paid by TVA in monthly installments to the Alabama Department of Revenue, Financial Operations Section, by the first of every month.
Distribution
17% – State General Fund
83% – Direct-served counties
The direct-served counties’ share is allocated among the counties using formulae that analyze:
TVA industrial/residential power sales ratios; book value ratios of TVA property;
and, construction in counties where TVA services are provided.

Prior to fiscal year 2010, the dry (non-alcoholic) non-served counties were allocated 5% of the TVA payments and the direct-served counties were allocated 78%. Beginning with fiscal year 2010, the portion allocated to the dry non-served counties was reduced by the increase in certain liquor tax revenues, until the replacement liquor tax revenues equaled the amount of the TVA payments allocated to the dry non-served counties for fiscal year 2009. Thereafter, the portion previously allocated to the dry non-served counties is being allocated to the direct-served counties.

Underground and Aboveground Storage Tank Trust Fund Charge

Authority

Basis
Charge is imposed on the first withdrawal of a motor fuel from bulk and on motor fuels imported into Alabama.

Rate
Based on invoiced gallons in an amount which shall be not greater than $.02 per gallon, nor less than $.003 per gallon as determined by the Alabama Environmental Management Commission and the Trust Fund Management Board. The current rate is $.01 per gallon.

Payment
File returns and remit charge to the Alabama Department of Revenue, Business and License Tax Division, Severance and License Section, by the 20th of the month for the preceding month’s activity.

Distribution
Alabama Underground and Aboveground Trust Fund.

Unemployment Compensation Tax

Authority
**Basis**
Annual earnings paid to each employee.

**Rate**
Tax is due by an employer on the first $8,000 paid to each employee during a calendar year.

Rates per employee are determined under an experience rating plan. Under this plan, rates range (in 17 steps) from .59% to 6.19%. Special assessments may be made to support special requirements.

**Payment**
Reporting forms are mailed the last week of each quarter to all registered employers by the Department of Labor. File by end of month following close of each quarter.

**Use Tax**

**Authority**

**Basis**
Excise tax on tangible personal property purchased outside Alabama for storage, use, or other consumption in Alabama.

**Rate**
4% of selling price of general merchandise and items.
2% of selling price of mobile home set-up materials and related supplies.
2% of net trade difference of new and used automotive vehicles.
1.5% of selling price of machinery used in mining and manufacturing.
1.5% of net trade difference of farm machines, machinery, or equipment.

Note: Each purchaser liable for use tax on tangible personal property is entitled to full credit for the combined amount of legally imposed sales or use taxes paid by the purchaser with respect to the same property to another state and any subdivision thereof.

**Payment**
File and remit to the Alabama Department of Revenue, Sales and Use Tax Division, on the 20th day of month for the preceding month’s liability.
Taxpayers whose total state use tax liability for the preceding calendar year averaged less than $200 per month may elect to file and pay state use tax on a calendar quarter basis (prior approval required).
A taxpayer whose total state use tax liability for the preceding calendar year was $10 or less may file and pay state use tax on a calendar year basis (prior approval required).
Quarterly and annual returns are due by the 20th of the month following the period covered by the return.

**Distribution**

Education Trust Fund, except for 42% of the 2% tax on gross proceeds from sale of automotive vehicles which will go to the General Fund, and revenues from the repealed discount which go to the Foster Children’s Program and the Department of Conservation and Natural Resources. 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 53% 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. It is the legislative intent 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.

**Utility Gross Receipts Tax**

**Authority**

**Basis**
Privilege tax on every utility (electric, domestic water, natural gas, telegraph, and telephone) furnishing services in Alabama.

**Rate**
Tax on utilities furnishing electricity, domestic water or natural gas:
If monthly gross sales or gross receipts

- Not more than $40,000: 4% of gross sales or gross receipts
- Over $40,000 but not over $60,000: $1,600 plus 3% of excess over $40,000
- Over $60,000: $2,200 plus 2% of excess over $60,000

Tax on utilities furnishing telegraph or telephone services:
6% on gross sales or gross receipts

**Payment**
File return and remit tax by the 20th of each month to the Alabama Department of Revenue, Sales and Use Tax Division, for the preceding month’s liability. Taxpayers with an average monthly tax liability of $10,000 or more during the prior calendar year, pay by the 20th of month in which liability occurs an estimated amount no less than the actual tax liability for the same month during the preceding year.
**Distribution**
$14,600,000 – Special Mental Health Trust Fund.
Remainder – Education Trust Fund.

**2.2% Utility License Tax**

**Authority**

**Basis**
License tax for operating a public utility (hydroelectric, water, electric, gas, other public utility, or privately owned and operated wastewater facility).

**Rate**
2.2% on each dollar of gross receipts.

**Payment**
File Form FT 5-7 with the Alabama Department of Revenue, Sales and Use Tax Division, on or before October 14, annually. Payment based on gross receipts for the preceding year due in one-fourth increments on October 1, January 1, April 1, and July 1.

**Distribution**
85% – Special Mental Health Fund.
15% – General Fund.

**Wholesale Oil/Import License Fee**

**Authority**

**Basis**
All diesel fuel that is sold across the rack at a terminal within this state and all diesel fuel imported into Alabama are subject to the fee.

**Exemptions**
Section 40-17-174
Diesel fuel exported from Alabama for which proof of export is available in the form of a terminal issued shipping document is exempt from this fee.

Transmix
Biodiesel sold to a licensed supplier at the terminal is exempt from this fee.

**Rate**
$.0075 per gallon of diesel fuel.
Payment
By October 14, file and remit the amount due to the Alabama Department of Revenue, Business and License Tax Division, Motor Fuels Section.

Distribution
General Fund.
Agency Directory for Tax Numbers

State Sales, Use, Income Tax Withholding, Rental and Lodgings Tax Numbers, Name and/or Address Changes

Request Form COM: 101 from the following address:
Alabama Department of Revenue
Central Registration Unit
50 N. Ripley Street
Room 4301 Gordon Persons Building
Montgomery, AL 36132
334-242-1170

Form COM: 101 and Electronic Combined Registration/Application are also available on the department’s website at:
www.revenue.alabama.gov

Unemployment Compensation Tax Number

Alabama Department of Labor
Industrial Relations Building
Status Unit, Rm. 4201
649 Monroe Street
Montgomery, AL 36131
334-242-8830

Federal Employer Identification Tax Number

Internal Revenue Service
1-800-829-3676
Call and ask for Form SS-4 to apply for federal employer identification tax number.
## Department of Revenue Tax Calendar

<table>
<thead>
<tr>
<th>Due Date</th>
<th>Tax Activity</th>
</tr>
</thead>
</table>
| January 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. |
| 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 IFTA tax return and payment due.  
Quarterly NPM payment due into escrow.  
Annual Terminal Operator return and/or payment due.  
Quarterly Construction Employer Fee due.  
Annual withholding return due. |
| February 10 | Quarterly NPM certification and bank verification due. |
| March 1 | Freight line equipment return due.  
Public utility property tax return delinquent after this date. |
| 15 | Corporate income tax return and information return due (for calendar-year taxpayers).  
Business Privilege Tax return. |
| 22 | Quarterly NPM bond due. |
| April 1 | Annual Dry Cleaning Trust Fund Fee return and payment due by wholesalers of dry cleaning agents.  
Quarterly Dry Cleaning Trust Fund Fee return and payment due.  
Utility license (2.2%) third quarterly payment due. |
| 10 | Quarterly Hospital Assessment for Medicaid Tax due. |
| 15 | Annual NPM payment due into escrow.  
Estimated personal income tax and first installment due.  
Financial institutions’ excise tax return and payment due.  
Business Privilege tax return due for limited liability entities. |
<table>
<thead>
<tr>
<th>Due Date</th>
<th>Tax Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 15</td>
<td>First installment of estimated corporate income tax due (for calendar-year taxpayers).</td>
</tr>
<tr>
<td></td>
<td>Note: Other fiscal-period taxpayers pay their corporate estimated tax on the 15th day of the fourth, sixth, ninth, and twelfth months of their tax year and file their return on the 15th day of the third month following the close of their tax year.</td>
</tr>
<tr>
<td></td>
<td>Partnership income tax return due.</td>
</tr>
<tr>
<td></td>
<td>Personal income tax return and payment due.</td>
</tr>
<tr>
<td>20</td>
<td>Quarterly sales tax return and payment due.</td>
</tr>
<tr>
<td></td>
<td>Quarterly use tax return and payment due.</td>
</tr>
<tr>
<td></td>
<td>Quarterly rental or leasing tax return and payment due.</td>
</tr>
<tr>
<td></td>
<td>Quarterly Solid Waste Disposal Fee return and payment due.</td>
</tr>
<tr>
<td>30</td>
<td>Annual TPM certification due.</td>
</tr>
<tr>
<td></td>
<td>Annual NPM certification and bank verification due.</td>
</tr>
<tr>
<td></td>
<td>Quarterly forest products’ severance tax return and payment due.</td>
</tr>
<tr>
<td></td>
<td>Quarterly NPM payment due into escrow.</td>
</tr>
<tr>
<td></td>
<td>Quarterly withholding return and payment due from employer.</td>
</tr>
<tr>
<td></td>
<td>Quarterly IFTA tax return and payment due.</td>
</tr>
<tr>
<td></td>
<td>Quarterly Construction Employer Fee due.</td>
</tr>
<tr>
<td>May 10</td>
<td>Quarterly NPM certification and bank verification due.</td>
</tr>
<tr>
<td>June 15</td>
<td>Second installment of estimated corporate income tax due (for calendar-year taxpayers).</td>
</tr>
<tr>
<td></td>
<td>Second installment of estimated personal income tax due.</td>
</tr>
<tr>
<td>22</td>
<td>Quarterly NPM bond due.</td>
</tr>
<tr>
<td>July 1</td>
<td>Quarterly Dry Cleaning Trust Fund Fee return and payment due.</td>
</tr>
<tr>
<td></td>
<td>Utility License (2.2%) fourth quarterly payment due.</td>
</tr>
<tr>
<td>10</td>
<td>Quarterly Hospital Assessment for Medicaid Tax due.</td>
</tr>
<tr>
<td>20</td>
<td>Quarterly sales tax return and payment due.</td>
</tr>
<tr>
<td></td>
<td>Quarterly use tax return and payment due.</td>
</tr>
<tr>
<td></td>
<td>Quarterly rental or leasing tax return and payment due.</td>
</tr>
<tr>
<td></td>
<td>Quarterly Solid Waste Disposal Fee return and payment due.</td>
</tr>
<tr>
<td>30</td>
<td>Quarterly forest products’ severance tax return and payment due.</td>
</tr>
<tr>
<td>31</td>
<td>Quarterly NPM payment due into escrow.</td>
</tr>
<tr>
<td></td>
<td>Quarterly withholding return and payment due from employer.</td>
</tr>
<tr>
<td></td>
<td>Quarterly IFTA tax return and payment due.</td>
</tr>
<tr>
<td></td>
<td>Quarterly Construction Employer Fee due.</td>
</tr>
<tr>
<td>August 10</td>
<td>Quarterly NPM certification and bank verification due.</td>
</tr>
<tr>
<td>September 15</td>
<td>Third installment of estimated corporate income tax due (for calendar-year taxpayers).</td>
</tr>
<tr>
<td></td>
<td>Third installment of estimated personal income tax due.</td>
</tr>
<tr>
<td>Due Date</td>
<td>Tax Activity</td>
</tr>
<tr>
<td>----------</td>
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</tr>
<tr>
<td>September 21</td>
<td>Quarterly NPM bond due.</td>
</tr>
<tr>
<td>September 25</td>
<td>Hydroelectric gross receipts’ return and payment due.</td>
</tr>
<tr>
<td>October 1</td>
<td>Property tax on real and personal property due.</td>
</tr>
<tr>
<td></td>
<td>Automotive dismantlers and parts recyclers’ license due.</td>
</tr>
<tr>
<td></td>
<td>Business privilege license fee due.</td>
</tr>
<tr>
<td></td>
<td>Quarterly Dry Cleaning Trust Fund Fee return and payment due.</td>
</tr>
<tr>
<td></td>
<td>Manufactured home registration and fee due.</td>
</tr>
<tr>
<td></td>
<td>Motor vehicle dealer, rebuilder, wholesale and off-stie sales licenses due.</td>
</tr>
<tr>
<td></td>
<td>Store and chain store license tax due.</td>
</tr>
<tr>
<td></td>
<td>Utility license (2.2%) return and first quarterly payment due.</td>
</tr>
<tr>
<td>October 10</td>
<td>Quarterly Hospital Assessment for Medicaid Tax due.</td>
</tr>
<tr>
<td>October 14</td>
<td>Annual wholesale oil/import license fee return and payment due.</td>
</tr>
<tr>
<td>October 20</td>
<td>Quarterly sales tax return and payment due.</td>
</tr>
<tr>
<td></td>
<td>Quarterly Solid Waste Disposal Fee return and payment due.</td>
</tr>
<tr>
<td></td>
<td>Quarterly use tax return and payment due.</td>
</tr>
<tr>
<td></td>
<td>Quarterly rental or leasing tax return and payment due.</td>
</tr>
<tr>
<td>October 30</td>
<td>Quarterly forest products’ severance tax return and payment due.</td>
</tr>
<tr>
<td>October 31</td>
<td>Quarterly NPM payment due into escrow.</td>
</tr>
<tr>
<td></td>
<td>Quarterly withholding return and payment due from employer.</td>
</tr>
<tr>
<td></td>
<td>Quarterly IFTA tax return and payment due.</td>
</tr>
<tr>
<td></td>
<td>Quarterly Construction Employer Fee due.</td>
</tr>
<tr>
<td></td>
<td>Annual business privilege licenses delinquent after this date.</td>
</tr>
<tr>
<td></td>
<td>Store and chain store licenses delinquent after this date.</td>
</tr>
<tr>
<td>November 10</td>
<td>Quarterly NPM certification and bank verification due.</td>
</tr>
<tr>
<td>November 30</td>
<td>Last day to register and pay fee for manufactured homes without penalty.</td>
</tr>
<tr>
<td>December 1</td>
<td>IFTA License and Decals issued.</td>
</tr>
<tr>
<td>December 15</td>
<td>Fourth installment of estimated corporate income tax due (for calendar-year taxpayers).</td>
</tr>
<tr>
<td>December 22</td>
<td>Quarterly NPM bond due.</td>
</tr>
<tr>
<td>December 31</td>
<td>Property tax on real and personal property delinquent after this date.</td>
</tr>
<tr>
<td></td>
<td>Expiration of the previous calendar year’s motor fuel identification markers.</td>
</tr>
<tr>
<td></td>
<td>Property Tax Assessments Delinquent after this date.</td>
</tr>
<tr>
<td></td>
<td>Last day to claim Exemptions/Abatements on Ad Valorem tax assessments.</td>
</tr>
</tbody>
</table>
## Required Monthly Returns

<table>
<thead>
<tr>
<th>Day</th>
<th>Tax Activity</th>
</tr>
</thead>
</table>
| 10  | Tobacco use tax return and payment due.  
    | Monthly Jenkins Act Report |
| 15  | 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. |
| 20  | Alabama Uniform Natural Minerals Tax return and payment due.  
    | Coal severance tax return and payment due.  
    | Coal transporters’ and purchasers’ returns due.  
    | Compressed Natural Gas(CNG)/Liquefied Natural Gas(LNG) return and payment due  
    | Contractors gross receipts tax return and payment due.  
    | Inspection Fee return and payment due.  
    | Local solid minerals tax returns and payments 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. Scrap Tire Environmental Fee return and payment due.  
    | Simplified Sellers Use Tax, Tobacco tax (state and county) return, reports and payment due.  
    | Transient Occupancy (Lodgings) tax (state and local) return and payment due.  
    | Underground and aboveground storage tank trust fund charge due.  
    | Use tax (state and local) return and payment due.  
    | Utility gross receipts tax return and payment due. |
| 22  | Blender return and payment due.  
    | Exporter return due.  
    | Importer return due.  
    | Supplier/Permissive Supplier return and payment due. |
| 30  | Hazardous waste fee return and payment due.  
    | State horse wagering fee return and payment due.  
    | Terminal Operator return due.  
    | Transporter return due. |
## Distribution of State Taxes/Fees Collected

<table>
<thead>
<tr>
<th>DIV</th>
<th>TAX SOURCE</th>
<th>GENERAL</th>
<th>EDUCATION</th>
<th>ROAD &amp; BRIDGE</th>
<th>COUNTIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT</td>
<td>Agents’ Occupational License Tax</td>
<td>ALL</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IT</td>
<td>Alabama Accountability Act</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BLT</td>
<td>Alabama Uniform Natural Minerals Tax</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MV</td>
<td>Automotive Dismantler &amp; Parts Recycler License</td>
<td>ALL</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BLT</td>
<td>Aviation Fuel Tax</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IT</td>
<td>Business Privilege Tax</td>
<td>(1)</td>
<td>(1)</td>
<td></td>
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</tr>
<tr>
<td>BLT</td>
<td>Coal Severance Tax</td>
<td>(39)</td>
<td>(39)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ST</td>
<td>Contractor’s Gross Receipts Tax</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IT</td>
<td>Corporate Income Tax</td>
<td>(4)</td>
<td>BAL (4)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PT</td>
<td>Deeds and Assignments</td>
<td>38.461% (33)</td>
<td>46.154% (33))</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ST</td>
<td>Dry Cleaning Trust Fund Fee</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IT</td>
<td>Estate Tax</td>
<td>ALL</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IT</td>
<td>Financial Institutions’ Excise Tax</td>
<td>25%</td>
<td></td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>BLT</td>
<td>Forest Products’ Severance Tax</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PT</td>
<td>Freight Line R.R. Equipment Tax</td>
<td>ALL</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BLT</td>
<td>Gasoline Tax</td>
<td>(3)</td>
<td>(3)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BLT</td>
<td>Hazardous Waste Fee</td>
<td>(22)</td>
<td></td>
<td>(22)</td>
<td></td>
</tr>
<tr>
<td>BLT</td>
<td>Horse Wagering Fee</td>
<td>ALL</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ST</td>
<td>Hospital Assessment for Medicaid</td>
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by the Alabama Department of Revenue
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## Distribution of State Taxes/Fees Collected

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by the Alabama Department of Revenue

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$1,322,000

(15)
## Distribution of State Taxes/Fees Collected

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BLT-Business & License Tax; FO-Financial Operations; IT-Individual & Corporate Tax; IN-Investigations; MV-Motor Vehicle; PT-Property Tax; ST-Sales & Use Tax
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<td>6.06% (29)</td>
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<tr>
<td>$14,600,000</td>
<td>85%</td>
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by the Alabama Department of Revenue

BLT Scrap Tire Environmental Fee (26)
BLT Solid Waste Disposal Fee (32)
BLT State Horse Wagering Fee ALL
BLT Store and Chain Store License ALL
BLT Tobacco Products (Cigarettes) Tax 66.67% (29) 12.12% (29) 9.09% (29) 6.06% (29)
BLT Tobacco Products (Tobacco) Tax ALL
ST Transient Occupancy (Lodgings) Tax (12)
FO TVA Electric BAL (8)
BLT-Underground and Aboveground Storage Tank Trust Fund Charge (23)
ST Use tax (20) BAL
ST Utility Gross Receipts Tax BAL $14,600,000
ST Utility License Tax (2.2%) 15% 85%
BLT Wholesale Oil/Import License Tax ALL
1) A portion of the Business Privilege Tax will be distributed to each county and the remainder will go to the General Fund.

2) 100% Special State Forestry Fund administered by the State Forestry Commission.

3) Gasoline has a total $.18 per gallon tax (effective October 1, 2016) levy comprised of a $.07 levy, $.05 supplemental levy, and a $.06 levy. 1 and 23/100% of net collections of the $.12 tax levy ($.07 and $.05 supplemental tax levy) goes to Conservation (60% of the 35/100% to the State Water Safety Fund and 40% of the 35/100% to the Seafood Fund; 70/100% to the Game and Fish Fund; 60% of 18/100% to the State Water Safety Fund and 40% of the 18/100% to the Seafood Fund). The distribution to the Game and Fish Fund (70/100%) and the additional distribution to the Water Safety Fund and the Seafood Fund (18/100%) are deducted from the funds allocated to the State Road and Bridge Fund. These credits cannot diminish the allocations provided to the counties. Original $.07 levy - 45% of net tax proceeds goes to the State Road and Bridge Fund and 55% of the net tax proceeds goes to the 67 counties of which 10% of the counties’ share is distributed to the cities. Supplemental $.05 tax - 3/5 of the net tax proceeds goes to the State Road and Bridge Fund and 2/5 is distributed as follows: 45% State Road and Bridge Fund and 55% to counties of which 10% of the counties’ share is distributed to the cities. Additional $.06 tax levy – 2/3 of net collections (45% goes to the State Road and Bridge Fund and 55% goes to counties of which 10% of the counties’ share is distributed to the cities). 1/3 of net collections distributed to the Inspection Fee Fund which is further distributed by the State Treasurer as follows: 5% or no less than $175,000, whichever is greater, to the Agricultural Fund, (a) 13.87% of balance of proceeds distributed equally to the counties, (b) $408,981 distributed to Department of Transportation Public Road and Bridge Fund, (c) 2.76% of balance of proceeds allocated amount the incorporated municipalities, (d) 5% if balance of proceeds after distributions to (a) and (c) is distributed to Agricultural Fund, (e) 2 ½% of balance of proceeds after (a), (b), (c), and (d) or no less than $87,500, whichever is greater, is distributed to the Department of Revenue, and (f) balance after (a), (b), (c), (d), and (e) is distributed to the Department of Transportation Public Road and Bridge Fund, as provided in Section 8-17-91, Code of Alabama, 1975.

4) Portion necessary to reimburse the Property Tax Relief Fund for homestead exemptions. Balance to Education Trust Fund.

5) Administrative cost to Public Service Commission.

6) Onshore Production: 25% General Fund; 75% balance distributed as follows: 66-2/3% distributed as follows: 25%, counties severed; 10%, cities severed; 50% of the first $150,000 remaining to General Fund; 42.5%, counties severed; and 7-1/2%, cities. Remainder of 66-2/3%: 84%, General Fund; 14% counties served, 2%, cities; 16-2/3%, General Fund; 16-2/3%, counties served. Offshore Production: 90%, General Fund; 10%, counties served.
7) 1935 Act - $.02 to the General Fund; 1980 Act - $.04: 45%, State Road and Bridge Fund; 55% to counties (10% of which is distributed to the cities).
8) TVA served counties, 75%; Dry non-TVA served counties, 5%.
9) Mental health facility construction; balance - 30%, Health; 70%, Mental Health.
10) Debt service of IDA bonds; balance - 36%, Health; 64%, Mental Health.
11) At the Revenue Commissioner’s discretion, the commissioner shall cease to make deposits to the General Fund so as to maintain the trust fund in which to make payment of claims. The trust fund shall retain an amount not greater than $1,000,000. Persons dying intestate and leaving unclaimed funds: such funds go to Public School Fund.
12) 75% of 4% tax to the General Fund. 25% of 4% tax to Alabama Bureau of Tourism and Travel. 50% of 1% tax to Alabama Mountain Lakes Association. 50% of 1% tax to Alabama Mountain Lakes counties.
13) Base fee distribution: 2.5% commission to licensing official, 5% Public Road and Bridge Fund, 72% Public Road and Bridge Fund, 21% city or county, 7% cities and counties. Additional fee distribution: 64.75% Public Road and Bridge Fund, 35.25% counties.
14) $.20 monies: coal or lignite severed within police jurisdiction or municipal limits as they existed on Jan. 1, 1977: 50%, municipality where severed and 50%, county where severed. Coal or lignite severed other than within police jurisdiction or municipal limits: 100%, county where severed. $.135 monies: State Mining Academy, State Docks Bulk Hand Facility Trust Fund, various counties and other agencies per Section 40-13-6.
15) Administrative cost to Alabama Department of Revenue for Rebuilt (Salvage) Vehicle Inspection Program.
16) That portion attributable to the use of gasoline shall be distributed in the manner of the gasoline tax. That portion attributable to the use of diesel fuels shall be distributed in the manner of the diesel fuels tax.
17) Department of Transportation – Aeronautics Division.
18) Prorated to participating states.
19) Sales tax on automotive vehicles - 58%, Education Trust Fund; 42%, General Fund. Discount cap revenues to state parks and Foster Children Program.*
20) Use tax on automotive vehicles - 58%, Education Trust Fund; 42%, General Fund. Discount cap revenues to Department of Conservation and Natural Resources.* All other use tax – 53%, General Fund; 47%, Education Trust Fund.
21) Alabama Health Care Trust Fund.
22) Distribution of funds based upon the waste type. Note: General fund distributions are also subject to a county guarantee. $5.50 RCRA/PCB and All Other Wastes – will be used to meet the annual guarantee amount of $4.2M to the county. After the $4.2M is met, any remaining amounts are to be split 50/50 between the General Fund and the county. $1.00/ton – All to
Alabama Hazardous Substance Cleanup Fund.

23) 100% to the Alabama Underground and Aboveground Trust Fund.

24) 15% to the Pensions and Security Trust Fund.

25) Appropriated amount for annual payment of principal and interest due to outstanding Alabama Revolving Loan Fund Authority bonds. $1.5 million to Special Education Trust and remainder to the General Fund.

26) 100% to the Department of Environmental Management – Scrap Tire Fund.

27) 100% of $.13 levy – Road and Bridge Fund; 4.69% of $.06 levy – distributed equally among the 67 counties; 93% of $.06 levy – distributed to incorporated municipalities as provided in § 8-17-91(a)(2)c; Remainder of $.06 levy – Road and Bridge Fund

28) Counties where severance occurs.

29) Of 100% collected: 75.56% - Medicaid, with up to $2 million to local governments to defray the cost of obtaining and affixing stamps. Of the remaining 24.44%: 66.67% to General Fund; 9.09% to Health; 12.12% to Mental Health; 6.06% to Parks (Conservation); 6.06% to Welfare (Human Resources).

30) From the net proceeds the Department of Revenue receives, 15% is distributed to the Alabama Peace Officers’ Annuity and Benefit Fund. Administrative costs for the MLI program are paid and any remaining funds are distributed to the General Fund.

31) 100% to Medicaid.

32) 25% to the Alabama Recycling Fund; 25% to the Solid Waste Fund; 45% to the Alabama Department of Environmental Management; 4% Administrative Collection Allowance for owners and operators; 1% Administrative Collection Allowance for the Department of Revenue.

33) All property taxing jurisdictions receive their proportional share of the taxes, fees, and interest upon the sale of tax delinquent property. State portion of funds: General Fund receives 38.461% for costs, and interest on the costs; Education Trust Fund receives 46.154% and Human Resources receives 15.385%.

34) Commercial Mobile Radio Services Board and, upon the effective date of the statewide 9-1-1 charge, to the statewide 9-1-1 Board.

35) Additional $5 issuance fee is distributed to the Alabama Housing Foundation.

36) The Commissioner of Revenue will annually distribute the funds in the Failing Schools Income Tax Credit Account, set up in the Education Trust Fund, to qualifying parents.

37) Inspection fee collections less refunds are distributed by the State Treasurer as follows: 5% or no less than $175,000, whichever is greater, to the Agricultural Fund, (a) 13.87% of balance of proceeds distributed equally to the counties, (b) $408,981 distributed to Department of Transportation Public Road and Bridge Fund, (c) 2.76% of balance of proceeds allocated among the incorporated municipalities, (d) 5% of balance of proceeds after distributions
to (a) and (c) is distributed to Agricultural Fund, (e) 2 ½% of balance of proceeds after (a), (b), (c), and (d) or no less than $87,500, whichever is greater, is distributed to the Department of Revenue, and (f) balance after (a), (b), (c), (d), and (e) is distributed to the Department of Transportation Public Road and Bridge Fund, as provided in Section 8-17-91, Code of Alabama, 1975.

38) 50% to the state: 75% General Fund; 25% Education Trust Fund; 50% to local governments within the state: 50% to the counties; 50% to the cities.

39) Applied to credit of Alabama State Docks Bulk Handling Facility Trust Fund to meet annual interest and bond retirement requirements. Balance distributed as follows: $300,000, Alabama Mining Academy; $500,000, Jefferson County General Fund; $500,000, Tuscaloosa County General Fund; $200,000, Walker County Economic and Industrial Development Authority; remainder, General Fund. Additional monies levied distributed to the Surface Mining Commission.

40) The Commissioner of Revenue will annually distribute the funds in the Historic Preservation Income Tax Credit Account, set up in the Education Trust Fund, to qualifying owners or transferees of the certified rehabilitation of historic structures.

* Note: For the 2013-2014 fiscal year and for all fiscal years thereafter, monies remaining after payment of servicing the State Dock’s bonds, or any anticipated deficiencies in operating the docks shall be distributed as follows: $300,000 Alabama Mining Academy; 60% transferred by Department of Revenue to the general fund of the county of severance based on the ratio of the $.135 per ton coal severance tax collections from within the county to the total coal severance tax collections, except those sent to the Walker County Economic and Industrial Development Authority; provided, however, $500,000 to the Jefferson County General Fund; $100,000, community Development Foundation, Inc.; $50,000 Marion County Community Development Association, Inc.; $50,000, West Alabama Development Association of Fayette County; $100,000, West Alabama Economic Development Association; $100,000, Winston County General Fund; remainder, General Fund.

* Effective October 1, 2002, the lesser of $500,000 or entire amount to Human Resources. Balance to Department of Conservation and Natural Resources.
Act 2018-53 (SB 98)
**Alabama Jobs Act**
This act authorizes the governing body of a county to grant an abatement for all or a portion of the roll back ad valorem taxes due under Section 40-7-25.3 on property located within the county. The abatement of roll back taxes may be granted only if the property is used for a qualifying project as defined under the Alabama Jobs Act, creates a certain number of jobs, and the property in in an area in which at least $50M of qualified capital expenditures is anticipated. If the property is located within a municipality, the abatement shall be consented to by resolution of the governing body of such municipality. An abatement granted by a county shall be established in an agreement between the county and the owner or user of such property. The agreement must be filed with the Department of Revenue within 90 days of granting the abatement for statistical and record keeping purposes.

*Effective Date: February 6, 2018*

Act 2018-95 (SB 67)
**Pharmaceutical Service Provider Supplemental Privilege Tax Credits**
This act amends Section 40-26B-9 to provide that the monthly credits allowed to the pharmaceutical service providers that remitted the supplemental privilege tax shall be allowed through September 20, 2018. On or after October 1, 2018, a pharmaceutical service provider who is entitled to a credit and has unused credit remaining shall be entitled to a refund, without interest, upon petition to the department. The petition shall be made no later than October 1, 2020.

*Effective Date: February 14, 2018*

Act 2018-125 (HB 72)
**Amendment to Alabama Partnership Act**
This act revises and replaces the Alabama Partnership Act by amending the procedures for formation, powers, governance, and dissolution applicable to various pass through entities. The act also amends various sections of the Alabama Business and Nonprofit Entity Code relating to partnerships, including amending the current fee schedule and requirements for filing annual reports with the Secretary of State.

*Effective Date: January 1, 2019*

Act 2018-127 (HB 190)
**Transportation Network Companies Administered through Public Service Commission**
This act requires a transportation network companies (TNC) to obtain a permit from the Public Service Commission (PSC), provided any company operating
before July 1, 2018, may continue until 30 days after the PSC establishes administrative rules and a deadline. This act also requires a TNC to collect a local assessment fee equal to 1% of the gross fare and remit it to the PSC. This act prevents a county, municipality or local government entity from imposing a tax or business license requirement for a TNC, TNC driver, or TNC vehicle. In addition, this act further specifies the duties and responsibilities of the PSC, which include: (1) adopting rules to regulate TNCs and TNC drivers; (2) investigating complaints and inspecting records of TNCs and TNC drivers; and (3) authorizing the PSC to assess civil penalties on TNCs for violating the provisions of this act. **Effective Date:** July 1, 2018, except the collection of the local assessment fee, which shall become effective August 1, 2018

**Act 2018-133 (HB 92)**

**Eligibility for Military Windshield Placard**

This act provides for the issuance of a removable windshield placard by the Department of Veteran Affairs, at no cost, to any person who meets the military service and award requirements to be issued a license plate as authorized under Section 32-6-250. The act also provides that it will be unlawful for any person to park in a parking place designated for an individual who has received a specific military honor or for an individual with a specific veteran status who does not have the corresponding distinctive license plate provided in Section 32-6-250 or the corresponding window placard issued by the Department of Veteran Affairs. **Effective Date:** May 1, 2018

**Act 2018-150 (SB 111)**

**Taxpayer Relief for Tax Rate Reliance**

This act provides that local governments shall notify the Department of Revenue at least 60 days prior to the effective date of a new levy or rate change for sales, use, rental, and lodgings taxes. The act provides relief to taxpayers from liability for incorrect tax collections if errors are made in reliance on rate information provided by the department on behalf of local governments and clarifies that local governments utilizing the Department of Revenue for collection and administration services shall be provided the same filing and payment services at no cost as those local governments which only accept returns and payments through the ONE SPOT system. This act adds Section 11-51-210.1 to provide that no later than October 1, 2018, the department shall send notice to every county or municipality levying a sales, use, rental, or lodgings tax regarding the rates of such according to the records held by the department. Each county and municipality shall notify the department of an existing erroneous rate published by the department no later than December 1, 2018. **Effective Date:** Section 1 – March 1, 2019; Section 2 – March 1, 2018

**Act 2018-152 (HB 22)**

**Dissolution of Certain State Boards, Commissions, and Authorities**

This act dissolves certain state boards, commissions, committees, authorities, councils, and task forces that were established by the legislature and are currently inactive. The boards, councils, or commissions abolished in which the Department
of Revenue has an appointment or is affected by are the Alabama Land Recycling and Economic Redevelopment Commission, established by Section 22-30E-12, the Tennessee Valley Exhibit Commission, established by Article 30 of Title 41, and the Enterprise Zone Advisory Council, established by Section 41-23-23.

**Effective Date: June 1, 2018**

**Act 2018-153 (HB 137)**

**Alabama Tax Delinquency Amnesty Act of 2018**

This act provides for an amnesty program for all taxes administered by the Department of Revenue except motor fuel, motor vehicle, and property taxes for eligible taxpayers. Amnesty can only be granted to state administered localities. Eligible taxpayers include those who have not been contacted within the last 2 years regarding the tax types included in the amnesty application. Ineligible taxpayers include those who have been contacted by the department or an agent of the department who are parties to any criminal investigation or criminal litigations in any court of the United States or the state of Alabama. Qualifying applicants will receive 100% penalty and interest waivers on delinquent returns and a 3 year limited look-back period with the exception that if the taxpayer has collected any tax without remitting the tax to the department, the look-back period will be extended to include all periods back to the point of collection. All amnesty applications must be submitted electronically beginning July 1 through September 30, 2018, and all amnesty returns and payments are due by November 15, 2018.

**Effective Date: March 6, 2018**

**Act 2018-163 (SB 152)**

**Alabama Uniform Voidable Transfers Act**

This act creates the Uniform Voidable Transfers Act that will apply to all transfers made on or after January 1, 2019. This act establishes uniform procedures to prevent debtors from transferring, concealing, or removing assets to avoid paying debt.

**Effective Date: January 1, 2019**

**Act 2018-164 (SB 156)**

**Sales and Use Tax Exemption for Sales of Gold bullions, Money, etc.**

This act amends Sections 40-23-4 and 40-23-62 to provide that the gross proceeds from the sales of gold, silver, platinum, and palladium bullion and money shall be exempt from sales and use tax for a 5 year period, unless extended by an act of the legislature, commencing on the effective date of this act. The exemption does not apply to works of art.

**Effective Date: June 1, 2018**

**Act 2018-176 (HB 40)**

**Length and Weight Increase Allowance for CNG/LNG Motor Vehicles**

This act amends Section 32-9-20, last amended by Act 2017-442, to provide for an additional length allowance for truck tractor-semi-trailer combinations used exclusively for transporting motor vehicles. The act changes the length allowance on such single-steered vehicles from 75 feet to 80 feet and provides that such
truck tractor-semitrailers shall not carry any load extending more than 4 feet beyond the front or 6 feet beyond the rear of the combination. This act further provides that any motor vehicle operated by an engine primarily fueled by natural gas may exceed any vehicle weight limit up to a maximum gross vehicle weight of 82,000 pounds by an amount equal to the difference between the weight of the vehicle attributable to the natural gas tank and fueling system on that vehicle, and the weight of a comparable diesel tank and fueling system. Such allowance only applies on federal interstate highways to the weight limit increases for vehicles using an EPA certified natural gas engine or an EPA approved conversion unit installed on the vehicle which allows the vehicle to operate primarily on CNG or LNG.

Effective Date: June 1, 2018

Act 2018-180 (SB 63)
Elimination of Jointly Filed Petition for Refund
This act amends Sections 40-2A-3 and 40-2A-7 to provide for the elimination of the jointly filed petition for refund of sales or use taxes, public utilities taxes, and the transient occupancy tax. A petition may be filed by 1) the consumer/purchaser who paid the tax directly to the taxpayer that collected the tax, or 2) by the taxpayer if the taxpayer remitted in excess of the tax due, however never collected the tax from the consumer purchaser, or 3) by the taxpayer if the consumer purchaser paid the tax directly to the taxpayer provided that a refund shall not be paid to the taxpayer until after the tax has been credited or repaid to the consumer/purchaser by the taxpayer. The department may adopt rules to establish procedures regarding the petitions for refund, including establishing procedures for claiming such refunds on an annual basis when the amount of a refund is less than $25 and offsetting any state use tax liability against any refund.
Effective Date: March 8, 2018

Act 2018-190 (SB214)
Disclosure of Supporters for Collegiate and University Distinctive License Plates and Updates to Membership of Legislative Oversight Committee on License Plates
This act provides taxpayers with the means to authorize/restrict the release of certain personal information. The authorization opportunity will be provided by the licensing office during the initial registration of a motor vehicle registration for a collegiate/university or other distinctive license plate. Subsequent authorizations and opt-out selections will be made to the department. Personal information authorized to be released to the college/university or sponsoring organization will be limited to the owner(s) name, address, and email address, if applicable. All other personal information, including medical or disability information, shall remain confidential and not subject to disclosure to the college/university or sponsoring organization. The act also provides that a college/university or sponsoring organization can make an annual request from the Department of Revenue to receive a list of those taxpayers who authorized the release of their name(s), address, and email address to such college/university or sponsoring organization. Colleges/universities and sponsoring organizations
in receipt of such personal information are prohibited from resale or disclosure to third parties without written consent from the taxpayer. Disclosure of personal taxpayer information applies to distinctive license plates issued under Sections 32-6-64, collegiate/university distinctive license plates issued under Section 32-6-150, and other distinctive license plates as authorized by the Legislative Oversight Committee on License Plates (LOC). The act updates the membership to the LOC and updates the reference of the Director of the Alabama Criminal Justice Information Center and the Director of Public Safety to Secretary of the Alabama Law Enforcement Agency. The act also updates membership to include a probate judge who is a licensing official appointed by the President of the Probate Judges Association and to include a county licensing official appointed by the Alabama Association of Tax Administrators. The act updates non-voting advisory membership to include a representative from the Department of Transportation. Effective Date: Disclosure authorization effective January 1, 2019; updates to LOC effective March 12, 2018

**Act 2018-192 (HB 54)**

**The Alabama Land Bank Authority**

This act amends Section 24-9-5 to require the Commissioner of Revenue, or his designee, to convene no later than October 1, 2018, the organizational meeting of the authority’s board. The board will also adopt rules to govern its proceedings. The act also amends Section 24-9-6, acquisitions of tax delinquent properties, and Section 24-9-8, quiet title and foreclosure action, to include other properties acquired by the state due to tax delinquencies of all tax types and held for at least 5 years. Lastly, the act amends Section 24-9-7, disposition of tax delinquent properties, to include other properties acquired by the state due to tax delinquencies of tax types collected in Chapter 29 of Title 40, to require the authority to give notice of its intent to dispose of properties not previously advertised, and to prescribe for the distribution of any proceeds from the disposition of properties by the authority of tax types other than ad valorem. Effective Date: March 12, 2018

**Act 2018-194 (HB 83)**

**Amendment to Veterans Employment Act**

This act renames the Heroes for Hire Act of 2012 as the Veterans Employment Act, and allows a $1,000 credit to qualifying businesses for each unemployed veteran or combat veteran hired for a full-time position. The full-time position must pay at least $14 per hour and the majority of duties must be at a business location within Alabama. The credit will only be available in the tax year during which the newly hired employee completes twelve consecutive months of employment. The credit amount of $1,000 remains consistent with current law and the credit still applies to individual and corporate income taxes or the state portion of financial institution excise tax. Effective Date: January 1, 2018
**Act 2018-198 (HB 164)**

**Tax Exemption Reform Act Grace Period**

This act adds Section 40-9-12.1 to provide for a grace period to obtain or renew certificates of exemption from Department of Revenue for united appeal fund entities and supported charities through September 30, 2018. For a united appeal fund to be eligible for the grace period, the united appeal fund, as of July 1, 2017, must have satisfied the definitional requirements by Section 40-9-12(c)(2), previously held or been eligible to hold a sales and use tax certificate of exemption, and provided more than de minimis funding to supported charities. For a supported charity to be eligible for the grace period, the supported charity, as of July 1, 2017, must have satisfied the definitional requirement imposed by Section 40-9-12(c)(1), and received more than de minimis funding from a qualified united appeal fund. No refunds shall be issued to such united appeal fund entity or supported charity for any purchase or transactions during the period in which a certificate of exemption was not in effect.

*Effective Date: March 12, 2018*

**Act 2018-232 (SB76)**

**Individual Income Tax Adjusted Gross Income Range Expanded and Exclusion of Certain Foreign Earned Income**

This act increases the optional standard deduction adjusted gross income (AGI) thresholds for all filing statuses. The act increases the AGI floor amount to $23,000 for married filing joint, single, and head of family filers, and $10,500 for married filing separately. It further increases the AGI ceiling amounts to $33,000 for married filing joint, single, and head of family, and $15,250 for married filing separately and exempts certain foreign earned income and related housing costs from Alabama AGI to the extent such income is exempt from federal income tax.

*Effective Date: March 15, 2018; Applies to tax years beginning after December 31, 2018.*

**Act 2018-234 (HB 35)**

**Public Water or Sewer Authority, District, System, or Board that is Sales Tax Exempt Defined as a Governmental Entity**

This act amends Section 40-9-14.1 to provide that any public water or sewer authority, district, system, or board that is sales tax exempt is included in the definition of a governmental entity as used in this section. The act provides that contractors and subcontractors who enter into construction contracts with any public water or sewer authority, district, system, or board that is sales and use tax exempt on or after January 1, 2019, would qualify to receive a certificate of exemption for such tax-exempt projects.

*Effective Date: June 1, 2018*

**Act 2018-261 (SB121)**

**Disability Access Distinctive License Plate Applicant**

This act amends Section 40-12-300 to allow a parent, stepparent, or legal guardian of a minor who is an individual with a disability, as defined in 32-6-230, to apply
for a disability access distinctive license plate. The act further provides that a motor vehicle may not be parked in an area reserved for handicapped parking unless the individual with a disability is in the vehicle.

Effective Date: June 1, 2018

**Act 2018-265 (SB 182)**

**Dark Store Comparable Value Disclosure**

This act relates to protests and appeals of commercial and industrial property, operating as such at the time of valuation. The act requires any party that intends to offer a sale or lease transaction as evidence of the value of property to also submit a disclosure about the comparable including whether the property was occupied or unoccupied at the time of the transaction and whether the property was subject to any use, deed, or lease restriction at the time of the transaction that prohibited the property from being used for the purpose for which it was designed, constructed, modified, etc. If the disclosure is not made when the evidence is offered, then the evidence is automatically deemed inadmissible.

Effective Date: March 20, 2018

**Act 2018-290 (SB 100)**

**Alabama Transportation Infrastructure Bank Additional Sources of Capitalization**

This act amends sections related to the Alabama Transportation Infrastructure Bank. This act provides for definitions of permitted investments, qualified borrower, and qualified project. The act provides for changes to the board of directors and provides for additional sources to be used to pay and secure bonds and other financial assistance issued by the bank with the recommendation of the Director of the Department of Transportation and approval by the governor. These additional sources are motor vehicle license taxes and registration fee, excise taxes levied by subdivision (2) of subsection (a) of Section 40-17-325 on diesel fuel, except the portion required to be distributed to municipalities and counties pursuant to subsection (b) of Section 40-17-361, remaining after payment of the costs of collections, the excise tax levied by Article 3 of Chapter 17 of Title 40 remaining after payment of costs of collections, exclusive of that portion of the tax in respect to gasoline, the receipts from the fee in respect of identification markers on motor vehicles that is provided for in Section 40-17-150. The operations of the bank shall be administered by the Department of Transportation, as agent for the bank.

Effective Date: March 22, 2018

**Act 2018-366 (SB293)**

**Temporary License Plates and Registration Certificates Updated to Include Boat Trailers, Semitrailers, and Trailers**

This act updates the drive-out provision for Alabama-based manufacturers for the issuance of temporary license plate and registration certificates to include boat trailers, in connection with the transport of boats, semitrailers, and trailers, including utility trailers which are to be permanently licensed in another state. In addition, the act updates the term manufacturers to include boat manufacturers,
who have a manufacturing, constructing, or assembling plant in this state. The act also provides a uniform surety bond provision for boat manufacturers and trailer manufacturers under Section 40-12-398 and provides that such manufacturers shall not be subject to more than one bond requirement and that the bond amount must be equivalent to at least the bond amount required under Section 40-12-398.

**Effective Date: March 26, 2018**

**Act 2018-396 (SB 318)**

**Alabama Data Breach Notification Act of 2018**

This act provides notification requirements of electronic data breaches in which personally identifying information (PII) of Alabama residents is compromised. The act prescribes a definition of the data that is considered PII along with guidelines for actions to be taken by entities when an electronic data breach has been detected or determined to have occurred.

**Effective Date: March 28, 2018**

**Act 2018-405 (SB150)**

**Income Tax Check-off for Contribution to Veterans Cemetery**

This act provides for an individual income tax refund check-off donation box for a contribution to the Alabama State Veterans Cemetery at Spanish Fort Foundation, Incorporated.

**Effective Date: June 1, 2018**

**Act 2018-415 (HB 85)**

**Payment of Reasonable Fees and Reimbursement of Cost of Prosecution**

This act amends Section 40-2A-11 to allow for the reimbursement of the reasonable fees or costs of prosecution to district attorneys and the Attorney General for the prosecution of violations of tax laws. The reimbursement for such prosecutions shall be made in whole or in part from penalties currently imposed.

**Effective Date: March 28, 2018**

**Act 2018-453 (HB 320)**

**Individual Income Tax Filing Requirement Threshold Update**

This act updates the existing statutory thresholds for individuals required to file an Alabama income tax return. The act provides that the filing threshold is equal to the sum of the applicable standard deduction and personal exemption allowed for each filing status.

**Effective Date: Tax years beginning after December 31, 2017**

**Act 2018-447 (HB 414)**

**Nonprofit Special Events Retail License**

This act provides that the Alcohol Beverage Control Board may issue a Nonprofit Special Events Retail License for the sale of beer, wine, and liquor to a qualifying organization. The act also provides for applications for Nonprofit Special Events Retail License and provides that beer, wine, and liquor may be donated by a non-licensed person. The act amends Section 28-3A-6 to provide that a manufacturer
licensee engaged in the manufacture of beer in the state may donate and deliver up to 31 gallons of the manufacturer’s beer to a licensed nonprofit special event operated by or on behalf of a nonprofit organization.

Effective Date: June 1, 2018

**Act 2018-458 (HB 140)**

*Motor Vehicle Disability Access Distinctive License Plate Enforcement*

This act amends Section 32-6-233.1 to provide that it is also unlawful for any person who is not transporting a passenger who has a distinctive special long-term access or long-term disability access license plate or placard or temporary disability placard to park a motor vehicle in a parking space that is designated for individuals with disabilities. The act further provides law enforcement with the ability to request verification that either the driver or passenger of the parked vehicle is the lawful holder of the disability plate or placard.

Effective Date: June 1, 2018

**Act 2018-465 (HB 384)**

*Individual Income Tax Credit for Taxes Paid*

Section 40-18-21 allows Alabama residents, who pay taxes to another jurisdiction on income from sources outside of the state, an income tax credit to prevent double taxation. The act clarifies that the credit for taxes paid from sources outside of Alabama can only be applied to the portion of the taxpayer’s income tax liability that is attributable to income derived from non-Alabama sources.

Effective Date: Tax years beginning on or after January 1, 2018

**Act 2018-467 (HB 248)**

*Alabama First-time and Second Chance Home Buyer Savings Account Act*

This act allows “first-time” and “second chance” home buyers to establish a first-time or second chance home buyer savings account to save funds for eligible expenses on the purchase of a home in Alabama and allows a state income tax deduction of $5,000 for single, and $10,000 for joint account holders for their contributions to the first time or second chance home buyer savings account made during the tax year for up to 5 years. Earnings and distributions (up to $25,000 for individuals and $50,000 for joint accounts) from the first-time and second chance home buyer savings account are excluded from Alabama taxable income if used for allowable costs in the purchase of a home. The act provides penalties for withdrawal of the funds from the first-time and second chance homebuyer savings account for purposes other than the eligible costs with certain exceptions such as death, disability, or due to employment after the account holder has exhausted their applicable unemployment compensation.

Effective Date: March 28, 2018

**Act 2018-468 (HB 260)**

*Amendment to Irrigation Tax Credit*

This act provides clarification of the existing state income tax credit that is
available for any agricultural trade or business that purchases and installs qualified irrigation equipment or a qualified reservoir. The act specifies that one irrigation tax credit is provided to taxpayers who install qualified irrigation equipment or qualified reservoirs during tax years 2012-2017, one irrigation tax credit is provided to taxpayers who install qualified irrigation equipment or qualified reservoir during tax years 2018-2022, and one irrigation tax credit is provided to taxpayers who install qualified irrigation equipment or qualified reservoir during tax year 2023 and forward.

*Effective Date: Tax years beginning after December 31, 2018*

**Act 2018-469 (HB 298)**

*Development of a Single Point Filing and Payment System for County and Municipal Motor Fuel Taxes; Establishment of a Local Motor Fuel Tax Advisory Committee*

This act requires the Department of Revenue to develop a Single Point Filing and Payment System by no later than October 31, 2019, to allow any taxpayer required to timely file and remit a county or municipal motor fuel tax calculated on a per gallon basis the capability to file and remit the county or municipal motor fuel tax return. There shall be no charge to the local taxing jurisdiction for use of the system and the system shall have the capability to allow a taxpayer to timely file an electronic tax return for each local taxing jurisdiction. On or before May 1, 2019, every local taxing jurisdiction levying or administering a motor fuel tax shall submit to the department a list of the motor fuel taxes levied or administered by the local taxing jurisdiction. The department shall make available to each local taxing jurisdiction a monthly report summarizing all tax paid using the system. No later than June 30, 2019, each local taxing jurisdiction shall provide the department with necessary information to allow all motor fuel tax payments to be remitted directly to the bank or other account designated by the local taxing jurisdiction. The act further provides that all petitions for refunds of taxes paid through the system shall be made to the local taxing jurisdiction. The act establishes a Local Motor Fuel Tax Advisory Committee; the initial meeting of the Local Motor Fuel Tax Advisory Committee shall be held no later than September 30, 2018.

*Effective Date: May 1, 2018*

**Act 2018-474 (HB 429)**

*Certified Nurse Practitioner and Certified Nurse Midwife Signature Authority*

This act authorizes a certified nurse practitioner or a certified nurse midwife to have signature authority to sign certain forms and documents that require the signature of a physician. The signature authority applies to the certification of disability for patients to received disabled license plates or placards, documents that require a complete history and physical examination, and additional forms approved by rule under the Alabama Administrative Procedure Act by the State Board of Medical Examiners.

*Effective Date: March 28, 2018*
**Act 2018-475 (HB 494)**

**Data Processing Centers Abatement**
This act amends Section 40-9B-4.1 to extend the period in which qualifying data processing centers may apply for abatements and incentives under Act 2012-210 (Alabama Data Processing Center Economic Incentive Enhancement Act of 2012). This allows an abatement of the state and local sales, use, and property taxes that are not earmarked for education up to 30 years depending on the aggregate investment project.

*Effective Date: March 28, 2018*

**Act 2018-494 (HB 494)**

**Interest Rate Upon Redemption Reduced from 12% to 8%**
This act reduces the per-annum interest rate a redemptioner pays under Sections 40-10-121 and 40-10-122 from 12% to 8%. The act also adds language allowing a redemptioner to take possession of the property while reimbursement for allowable improvements and insurance premiums remain unpaid, as long as those costs are paid prior to January 1 of the subsequent tax year. If the redemptioner fails to do so, his or her right in the property shall be forfeited.

*Effective Date: January 1, 2020*

**Act 2018-508 (HB 151)**

**Two-year Surety Bond Requirement for Certain New or Non-Compliant Licensees**
This act amends Section 40-23-6 to provide that any person applying for an initial license or the renewal of an expired or cancelled license on or after January 1, 2020, who is in the business of selling tobacco or alcohol shall be required to purchase and maintain a one-time surety bond for a 2 year period in the amount of $25,000. The department shall provide a waiver of the surety bond requirement where the person applying for the license and a current licensee are related parties or members of a controlled group, if the current licensee has been compliant over the previous 2 year period. This act provides that any licensee who becomes non-compliant on or after January 1, 2020, shall be required to purchase and maintain a one-time surety bond for a 2 year period in the amount of the actual sales tax liability for the preceding 3 month period, but not less than $25,000. The department shall notify a licensee at his or her last known address by first class U.S. mail or by certified mail. The licensee shall within 30 days from the date the notice is mailed, either file the bond or file a notice of appeal with the Alabama Tax Tribunal. The department may immediately cancel a license upon the expiration of the 30 days.
This act provides that after 2 years of continuous compliance, a licensee shall be exempt from the surety bond requirement so long as the licensee collects and timely remits sales tax.

*Effective Date: April 4, 2018*

**Act 2018-539 (HB 470)**

**Simplified Seller Use Tax Remittance Program**
This act amends Sections 40-23-190 and 40-23-191, to provide that an out-of-
state vendor that is an eligible seller participating in the Simplified Seller Use Tax Remittance Program that establishes substantial nexus in the state only through acquisition of an in-state business, may continue to participate in the Simplified Sellers Use Tax Program. The act provides that the term eligible seller also includes a marketplace facilitator as defined by the act for all sales made through the marketplace facilitator’s marketplace. This act amends Section 40-23-194 to provide that eligible sellers may deduct and retain a discount equal to 2% of the simplified sellers use tax properly collected and then remitted to the department in a timely manner, provided that for tax periods beginning on or after January 1, 2019, the allowance for the discount shall not apply to any taxes collected and then remitted which are in excess of $400,000. This act amends Section 40-23-197 to provide that the proceeds of simplified sellers use tax paid shall be appropriated to the department, which shall retain the amount necessary to fund the administrative costs of the program. The act provides that effective for tax periods beginning on or after January 1, 2019, the balance of the amounts collected shall be distributed as 50% to the State Treasury (75% General Fund and 25% Education Trust Fund), and 50% to all municipalities and counties within the state (60% to the municipalities and 40% to the counties).

**Effective Date: June 1, 2018**

**Act 2018-541 (HB 317)**

**Alabama Jobs Enhancement Act**

This act establishes the Alabama Jobs Enhancement Act and revises notification and confidentiality provisions governing certain economic incentives, and makes available such notifications for public inspection 2 years after the project entity publicly commits to a site for development. The act specifies the incentives that are subject to the notification requirements and provides that certain activities relating to the award of certain economic incentives would not constitute lobbying. It further exempts economic development professionals from requirements to register as lobbyists and sets an expiration date of April 1, 2019, on the measure.

**Effective Date: March 28, 2018**

**Act 2018-542 (HB 321)**

**Supplemental Privilege Assessment and Monthly Surcharge Extension**

This act amends Section 40-26B-21 to provide for an extension to the supplemental privilege assessment and monthly surcharge through August 31, 2019.

**Effective Date: April 6, 2018**

**Act 2018-543 (HB 322)**

**Hospital Assessment Fee Extension**

This act amends sections related to the hospital assessment fee, provides for an extension to the hospital assessment fee through fiscal year 2019, provides that the amount of the assessment fee is increased to 5.75% of net patient revenue during fiscal year 2016, and provides that net patient revenue will be determined by the 2016 Medicare Cost Report.

**Effective Date: October 1, 2018**
**Act 2018-549 (SB 209)**  
**Amendment to Individual Income Tax Credit for Private Intrastate Adoption**  
This act removes the “intrastate” requirement for a private adoption and expands the credit to any private adoption if the adoptive parent(s) reside in Alabama. The act also removes the provision requiring the birth mother and the baby reside in the state of Alabama.  
*Effective Date: Tax years beginning January 1, 2019*

**Act 2018-556 (HB 418)**  
**Circuit Court and Title Claims of Ownership**  
This act provides that any appeal concerning competing ownership claims related solely to who is the proper party to have possession of the motor vehicle or manufactured home and the certificate of title to the motor vehicle or manufactured home be filed the circuit court. The court costs shall be paid by appealing party and claims for damages or other actions must be filed separately.  
*Effective Date: April 6, 2018*

**Act 2018-562 (HB 242)**  
**Exemption from Sales and Use Taxes for Sale of Fruit and Agriculture Products**  
This act amends Sections 40-23-4 and 40-23-62 to provide for an exemption from sales and use taxes for sales of fruit and agricultural products by a person or company that planted or cultivated, and harvested the fruit or agricultural product when the land is owned or leased by the seller. The act also removes all exemptions from Section 40-23-62, except those related to property on which sales tax is paid by the consumer to a licensee, tangible personal property temporarily stored within this state, and the storage, use, or other consumption in this state of religious magazines and publications. All exemptions enumerated in Sections 40-23-4(a) and 40-23-4.1 are incorporated by reference in Section 40-23-62.  
*Effective Date: April 6, 2018*

**Act 2018-568 (HB 118)**  
**Exemption of The Zoo Foundation, Inc., and The Josh Willingham Foundation**  
This act amends Section 40-23-5 to provide for an exemption for The Zoo Foundation, Inc., operating as the Alabama Gulf Coast Zoo from paying any state, county, and municipal sales and use taxes associated with any and all capital expenditures through September 30, 2022. The act further provides an exemption to The Josh Willingham Foundation from paying any state, county, and municipal sales and use taxes.  
*Effective Date: July 1, 2018*
Act 2018-577 (HB 354)
Alternative Tax Lien Auction and Private Sale
This act specifies an alternative method for collecting delinquent ad valorem taxes. Each year a county’s tax collecting official will have the option to either use the traditional tax sale method or utilize the new method of selling tax liens at auction or subsequent private sale. The new method requires prospective tax-lien purchasers to bid down the interest rate they would receive upon redemption, rather than to bid additional money in excess of the taxes and other amounts due. The act also establishes requirements for an official when changing from one method to another.
Effective Date: July 1, 2018
Local Revenue Related Acts
2018 Regular Session

Act 2018-17 (HB 33)
Calhoun County, Police Jurisdiction or Planning Jurisdiction
This act provides for an election proposing an amendment to the Constitution of Alabama of 1901 and proposes that any territory in Calhoun County outside of the corporate limits of a municipality, except the City of Oxford, shall not be subject to the police jurisdiction or planning jurisdiction of the municipality if the municipality is not located entirely in the county.
Effective Date: Contingent Upon Voter Approval

Act 2018-56 (HB 212)
Wilcox County Additional Sales and Use Tax
This act provides that upon a majority vote the Wilcox County Commission may levy a sales and use tax in an amount up to 1% on sales, use, storage, consumption, or gross receipts in the county. All taxes collected shall be remitted to Wilcox County and deposited in the Wilcox County General Fund to be used for the operation and maintenance of the J. Paul Jones Hospital.
Effective Date: February 8, 2018

Act 2018-79 (SB 183)
Cherokee County Abandoned and Stolen Personal Property
This act authorizes the Sheriff of Cherokee County to keep and maintain a record of all abandoned and stolen personal property. Such record should include the description of the property, the date of recovery of the property, and the serial or other identifying number of the property. The act further provides that the sheriff may sell at public auction, including internet auction, all abandoned or stolen personal property, other than firearms, which have been recovered by the sheriff’s office and has remained unclaimed by the rightful owner for a 6 month period.
Effective Date: May 1, 2018

Act 2018-84 (HB 271)
Randolph County Tobacco Tax Distribution
This act amends Section 6 of Act 2003-213 to alter the distribution of the Randolph County Tobacco tax by eliminating the 32% distribution to the Alabama Forestry Commission. 32% of the proceeds shall be distributed equally to the volunteer fire departments located in the county and to the Randolph County Rescue Squad for fire protection and emergency medical services in the county.
Effective Date: February 12, 2018

Act 2018-109 (SB 137)
Franklin County License Tax Allocation
This act proposes a constitutional amendment related to Franklin County and provides that the governing body of Franklin County may allocate 1/4 of the proceeds of the $.01 county license tax provided for in Section 40-12-4, for the
purpose of costs associated with construction maintenance, and repair of roads and bridges in Franklin County. The authority granted by this amendment is effective for 30 years from the effective date of this amendment.  
*Effective Date: Contingent Upon Voter Approval*

**Act 2018-130 (HB 219)**  
**Henry County Service of Process Fees**  
This act changes the cost of a Henry County service of process fee from $10 to $30 for service or attempted service of any papers or documents requiring personal service by the sheriff or any deputy sheriff arising out of any civil or criminal action. The Henry County District Attorney’s office will not be assessed these fees. These funds are in addition to any other funding sources provided to the Henry County Sheriff’s Office and will not reduce or replace those funds.  
*Effective Date: May 01, 2018*

**Act 2018-142 (SB 239)**  
**Shoals Economic Development Project Debt Obligations, Lauderdale County Gas Tax**  
This act amends Section 45-39-92.52 to provide that Lauderdale County Gas tax proceeds shall be made exclusively to pay off debt obligations for the Shoals Economic Development Project.  
*Effective Date: May 1, 2018*

**Act 2018-166 (HB 146)**  
**City of Homewood Ad Valorem Tax Rate Limitations**  
This act proposes a local constitutional amendment relating to the City of Homewood in Jefferson County to provide that the amount of ad valorem taxes payable in 1 ad valorem tax year not be subject to the maximum millage rate limitations set forth in subsection (i) of Amendment 373 of the Constitution of Alabama of 1901.  
*Effective Date: Contingent upon voter approval*

**Act 2018-177 (HB 130)**  
**City of Warrior Boundary Lines**  
City of Warrior corporate limits altered.  
*Effective Date: June 1, 2018*

**Act 2018-183 (SB 281)**  
**City of Prattville Boundary Lines**  
Prattville corporate limits altered.  
*Effective Date: June 1, 2018*
Act 2018-186 (HB 188)
Marengo County Operation of Golf Carts on Municipal Streets and Public Roads
This act provides a process by which a municipality in Marengo County could permit the operation of golf carts on municipal streets and public roads within the municipality. The municipality must designate streets and public roads, with speed limits less than 25 mph, for use by golf carts by posting appropriate signs to indicate that the operation of golf carts is authorized. The act further requires the municipality to inspect the golf cart for the presence of required safety equipment and verify that the operator of the golf cart is covered by a policy of liability insurance held by the owner of the golf cart. Municipalities may propose civil penalties for violations.
Effective Date: Contingent Upon Voter Approval

Act 2018-197 (HB 127)
Class 2 Municipality Procedures for Abatement and Removal of Inoperable Vehicles
This act provides that a Class 2 municipality may establish procedures for the abatement and removal of inoperable motor vehicles from private property as public nuisances. Costs of the removal may be assessed against the registered owner of the vehicle if the identity can be determined or the costs may be assessed against the owner of the property on which the vehicle is stored. The act provides for the definition of an inoperable motor vehicle and provides for exemptions from a vehicle being deemed a nuisance.
Effective Date: March 12, 2018

Act 2018-200 (HB 276)
City of Elmore Boundary Lines
City of Elmore corporate limits altered.
Effective Date: June 1, 2018

Act 2018-202 (HB 355)
Coosa County Tobacco Tax Distribution
This act amends Section 45-19-245 to alter the distribution of the Coosa County Tobacco Tax by eliminating the $7,500 distribution to the Coosa County Health Department. $7,500 of the proceeds shall be distributed to the Coosa County General Fund.
Effective Date: March 12, 2018

Act 2018-225 (HB 153)
Municipality of Excel Authorization of the Operation of Low Speed Vehicles
This act allows the municipality of Excel to authorize by ordinance the operation of low-speed vehicles upon the roads and streets of Excel. The definition of a low-speed vehicle conforms with the definition provided in department administrative rule 810-5-75-.68. The low-speed vehicle may not be operated on a public road or
street by any person other than a licensed driver and may only be operated during day-light hours. The low-speed vehicle must meet safety standards and have a 17-digit vehicle identification number. The vehicle must have a current license plate issued by the license plate issuing official.

Effective Date: March 14, 2018

**Act 2018-239 (HB 209)**

**Dale County Motor Vehicle Tag Transaction Fee**
This act provides for a $5 transaction fee to be collected by the county revenue commissioner for each motor vehicle tag issued or renewed in Dale County. The fee does not apply to trailer tags, tag transfers, and/or tag replacement transactions. The proceeds from the fee shall be distributed as 3% to the county revenue commissioner to be used for the operation of his or her office with the remainder to be distributed to the county commission for municipalities and emergency medical services and activities.

Effective Date: March 15, 2018

**Act 2018-241 (HB 282)**

**Muscle Shoals Special Ad Valorem Tax Increase**
This act proposes to increase the special ad valorem tax levy in the city of Muscle Shoals by 5 mills, to a maximum rate of $1.25 on each $100 (12.5 mills on each dollar) of the taxable property’s assessed value.

Effective Date: March 15, 2018

**Act 2018-246 (HB 373)**

**City of Smiths Station Boundary Lines**
Smiths Station corporate limits altered.

Effective Date: June 1, 2018

**Act 2018-267 (SB 252)**

**City of Grove Hill Boundary Lines**
Grove Hill corporate limits altered.

Effective Date: June 1, 2018

**Act 2018-270 (SB 347)**

**Jackson County Redistribution of Payments by the TVA in lieu of Payments of Taxes**
This act amends Section 45-36-162 to provide for the redistribution of the remaining payments in the Jackson County Legislative Delegation Critical Needs Fund.

Effective Date: March 20, 2018
Act 2018-277 (SB 308)
Hale County Abandoned and Stolen Personal Property
This act authorizes the Sheriff of Hale County to keep and maintain a record of all abandoned and stolen personal property. Such record should include the description of the property, the date of recovery of the property, and the serial or other identifying number of the property. The act further provides that the sheriff may sell at public auction, including internet auction, all abandoned or stolen personal property, other than firearms, which has been recovered by the sheriff’s office and has remained unclaimed by the rightful owner for a 6 month period.
Effective Date: June 1, 2018

Act 2018-288 (SB 311)
Jefferson County Privilege or License Tax on the Lease or Rental of Automotive Vehicles
This act amends Act 2001-550 now appearing as Section 45-37-244.01 to provide for the levy of a $.03 privilege or license tax on the leasing or renting of automotive vehicles in Jefferson County, the duration of the lease being not more than 1 year. The levy shall become operative on the first day of the second calendar month after the chair of the Birmingham-Jefferson Civic Center Authority delivers to the director of revenue a certificate stating that the authority has made a contractual commitment for the construction of a stadium. The act provides that the contractual commitment must be a bond purchase agreement, loan agreement, or other financing commitment that will provide funds, together with other funds available for contractually committed to the authority, that, in the authority’s judgement, will be sufficient to complete construction of the stadium.
Effective Date: March 22, 2018

Act 2018-292 (SB 361)
Shoals Economic Development Project Debt Obligations, Colbert County Gas Tax
This act amends Section 45-17-90.52 to provide that Colbert County Gas tax proceeds shall be used exclusively to pay off debt obligations for the Shoals Economic Development Project.
Effective Date: June 1, 2018

Act 2018-293 (HB 44)
Pickens County Sales Tax Additional Levy for Funding of Community Safe Rooms
This act provides for a referendum on whether to allow the County Commission of Pickens County to levy an additional sales tax at a rate of 1/2 of 1% to be used exclusively for the financing and construction of community safe rooms within Pickens County. The additional tax shall expire on a date not later than 1 year after collection of the tax begins. The sales tax is due on the 20th day of each month and provides that penalties shall be in accordance with Section 40-2A-11, and interest shall be in accordance with Section 40-1-44.
Effective Date: June 1, 2018
Act 2018-432 (SB 290)

Clay County Tobacco Tax Distribution
This act amends Section 45-14-244.07 to alter the distribution of the Clay County Tobacco tax distributed to the Clay County Commission and the Clay County Animal Shelter. The act provides that 20% of the proceeds shall be distributed to the Clay County Commission and 13% shall be distributed to the Clay County Animal Shelter.
Effective Date: October 1, 2017

Act 2018-498 (HB 459)

Jackson County, Payments by the Tennessee Valley Authority in lieu of Payment of Taxes
This act amends Section 45-36-162 to provide for the redistribution of the remaining payments in the Jackson County Legislative Delegation Critical Needs Fund.
Effective Date: April 4, 2018

Act 2018-510 (HB 348)

Marion County Transfer of Responsibilities for Assessment and Collection of Tax and Fees on Motor Vehicles to Revenue Commissioner
This act moves the responsibilities of the assessment and collection of taxes, commissions, and issuance fees on motor vehicles from the judge of probate to the revenue commissioner effective with the term of office beginning January 2019. The Revenue Commissioner of Marion County shall perform all duties related to the issuance of motor vehicle license plates and the assessment and collection of ad valorem taxes, commissions, fees, or other charges on motor vehicles which were previously jointly performed by the revenue commissioner and the judge of probate.
Effective Date: July 1, 2018

Act 2018-522 (HB 483)

City of Glencoe Boundary Lines
Glencoe corporate limits altered.
Effective Date: April 6, 2018