

810-6-4-.21.02 Local Government Rate Notification Requirements for Sales, Use, Rental, and Lodgings Tax

(1) The department shall publish and maintain a current listing of tax levies for municipal and county sales, use, rental, and lodgings taxes pursuant to §11-51-210, Code of Ala. 1975.

(2) Local Government Notification Requirements.

(a) Every municipality or county (“locality”) levying a new sales, use, rental, or lodgings tax, or amending an existing levy of these taxes must submit notification of the new levy or amendment to the department **at least sixty (60) days before the requested effective date of the tax levy or amendment**. The notification must include the following to be considered proper notification to the department:

1. A written notification on the locality’s letterhead or other department accepted format, addressed to the department and signed by a local government representative.
2. A certified copy of the levying or amending act, ordinance, or resolution.
3. The name of and preferred contact information for the locality’s designated representative to whom notifications by the department as required in paragraph (3) will be provided.

(b) Proper notification, as provided in paragraph (a), must be submitted to the department’s Local Tax Unit by either of the following methods:

1. By email to localtaxunit@revenue.alabama.gov.
2. By certified mail to the Alabama Department of Revenue, Local Tax Unit, Post Office Box 327710, Montgomery, AL, 36132-7710.

(c) The date of receipt of the notice by the department (the “received date”) shall be determined as follows:

1. For electronic submissions, the date stamp of the email sent to the department email address provided in this paragraph.
2. For certified mail submissions, the postmarked date on the outer envelope addressed as provided in this paragraph.

(3) Department Notification Requirements.

(a) Upon proper completion of the requirements of paragraph (2), the department will provide a tax levy return confirmation to the locality no later than the first day of the second month after the received date. The tax levy return confirmation will include the new tax rates to be effective as understood by the department based on the

notification provided in accordance with paragraph (2), as well as the statutory effective date of the new tax rate(s) and the date the notification was received by the department.

(b) Any corrections to the rates listed on the tax levy return confirmation must be submitted to the department, as provided in paragraph (2)(a), by the locality within ten (10) calendar days of the date of receipt of tax levy return confirmation by the locality's designated representative. Unless notification of corrections is provided in accordance with this paragraph, the rates and corresponding effective dates listed on the tax levy return confirmation and thereafter published by the department will be considered correct.

(4) Statutory Effective Date of Levy. The statutory effective date of a new tax rate levy or amendment of an existing tax levy for which notice has been provided in accordance with paragraph (2) will be the first day of the third month following the date of receipt of proper notification as described in paragraph (2), unless the tax levy or amendment has requested a specified effective date that is after the first day of the third month. Provided, however, if the effective date requested by the municipality or county is not the first day of the month, the statutory effective date will be the first day of the month following the effective date requested in accordance with the notification requirements in paragraph (2).

(a) Example 1. A city enacts a new rental tax levy to be effective June 1st. The department receives proper notification of the new levy on April 1st. The statutory effective date of the new levy is July 1st.

(b) Example 2. A town amends their existing sales and use tax rates effective July 1st. The department receives proper notification of the amendment on April 15th. The statutory effective date of the amended levy is July 1st.

(c) Example 3. A county enacts a new sales and use tax levy to be effective June 1st. The department receives proper notification of the new levy on January 1st. The statutory effective date of the new levy is June 1st.

(d) Example 4. A city enacts a new lodgings tax levy to be effective October 15th. The department receives proper notification of the new levy on July 5th. The statutory effective date of the new levy is November 1st.

(5) Hold Harmless and Rate Responsibility.

(a) If the rate published by the department and relied upon by the taxpayer is less than the actual rate provided on the locality's tax levy return confirmation, the department shall be responsible for reimbursement of the difference to the affected locality. This liability will not exceed a period of one year from the date the incorrect rate was published by the department.

(b) If a county or municipality fails to properly notify the department of a new levy or amendment to an existing levy as provided in this rule, the department is relieved from the liability of any difference in the tax levy to the local jurisdiction.

(c) If a taxpayer charges an insufficient tax rate due to reliance on the department's published rates, no additional liability of the difference in the actual tax levy is due to Alabama or its local jurisdictions.

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Authority: §§ 11-51-210 and 40-2A-7(a)(5), Code of Ala. 1975.

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