

1 SB286
2 123749-1
3 By Senators Irons and Orr
4 RFD: Governmental Affairs
5 First Read: 09-FEB-12

2
3
4
5
6
7
8 SYNOPSIS: This bill would require a municipality or
9 county that issues a business license to collect
10 certain information from the licensee and transmit
11 the information electronically to the Alabama
12 Department of Revenue.

13 This bill would require the department to
14 cross-check the information with its sales tax
15 records to determine whether the business is
16 collecting and paying any required sales tax.

17 Amendment 621 of the Constitution of Alabama
18 of 1901, now appearing as Section 111.05 of the
19 Official Recompilation of the Constitution of
20 Alabama of 1901, as amended, prohibits a general
21 law whose purpose or effect would be to require a
22 new or increased expenditure of local funds from
23 becoming effective with regard to a local
24 governmental entity without enactment by a 2/3 vote
25 unless: it comes within one of a number of
26 specified exceptions; it is approved by the

1 affected entity; or the Legislature appropriates
2 funds.

3 The purpose or effect of this bill would be
4 to require a new or increased expenditure of local
5 funds within the meaning of the amendment. If this
6 bill is not enacted by a 2/3 vote, it will not
7 become effective with regard to a local entity
8 unless approved by the local entity or until, and
9 only as long as, the Legislature appropriates funds
10 or provides for a local source of revenue.

11
12 A BILL
13 TO BE ENTITLED
14 AN ACT
15

16 To require a municipality or county that issues a
17 business license to collect certain information from the
18 person licensed; to require each municipality or county to
19 transmit the information electronically to the Alabama
20 Department of Revenue; to require the department to
21 cross-check the information with its sales tax records to
22 determine whether the business is collecting and paying the
23 required sales tax; and in connection therewith would have as
24 its purpose or effect the requirement of a new or increased
25 expenditure of local funds under Amendment 621 to the
26 Constitution of Alabama of 1901, now appearing as Section

1 111.05 of the Official Recompilation of the Constitution of
2 Alabama of 1901, as amended.

3 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

4 Section 1. (a) A person, as that term is defined in
5 subdivision (8) of Section 40-1-1, of the Code of Alabama
6 1975, who purchases a business license from a county or
7 municipality shall provide to the county or municipality, at
8 the time the business license fee is due and payable, the
9 following information:

10 (1) The legal name of the business and any
11 associated trade name.

12 (2) The mailing address of the business and the
13 actual physical address of each location of the business if
14 different from the mailing address.

15 (3) Any sales and use tax identification number
16 assigned to the business by the state Department of Revenue.

17 (b) Each county or municipality shall provide
18 written notice to the person that the information, or the
19 refusal to provide the information, shall be provided to the
20 state Department of Revenue. The failure of or refusal by the
21 person to provide the information does not toll or extend the
22 time of payment established for a business license.

23 (c) Within 30 days of the purchase of a business
24 license by a person from the county or municipality, the
25 county or municipality shall submit electronically to the
26 state Department of Revenue the information received from the
27 person. The county or municipality shall also submit any

1 applicable North American Industry Classification System Code
2 number for the business electronically to the department.

3 (d) The department shall establish and maintain an
4 appropriate website or electronic portal for the submission by
5 counties and municipalities of the information required by
6 this section.

7 (e) The department shall cross-check the information
8 submitted under subsection (c) with its sales tax records to
9 determine whether the licensee is collecting and paying any
10 required sales tax.

11 Section 2. This act shall become effective on the
12 first day of the third month following its passage and
13 approval by the Governor, or its otherwise becoming law.