

1 HB353
2 116630-1
3 By Representative Lindsey
4 RFD: Education Appropriations
5 First Read: 19-JAN-10

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8 SYNOPSIS: Under existing law, the Alcoholic Beverage
9 Control Board collects an additional two percent
10 state sales tax on all sales of alcoholic beverages
11 made by the board. The Department of Revenue
12 distributes the proceeds of the additional tax to
13 the counties and municipalities in which the sales
14 were made.

15 This bill would provide that the additional
16 state sales tax amount would be one-half of one
17 percent in counties that do not have a local sales
18 tax or that have a sales tax rate that is lower
19 than one-half of one percent, and one and one-half
20 percent in municipalities that do not have a local
21 sales tax or that have a sales tax that is lower
22 than one and one-half percent. Otherwise, the
23 Alcoholic Beverage Control Board would collect the
24 applicable local sales taxes in the jurisdictions
25 in which the Alcoholic Beverage Control Board
26 retail stores are located.
27

1 A BILL
2 TO BE ENTITLED
3 AN ACT
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5 To amend Sections 28-3-280, 28-3-281, 28-3-282,
6 28-3-283, and 28-3-284, Code of Alabama 1975, relating to the
7 levy and collection of taxes by the Alcoholic Beverage Control
8 Board, to provide that the additional state sales tax on sales
9 made in Alcoholic Beverage Control Board retail stores would
10 be one-half of one percent in counties that do not have a
11 local sales tax or that have a sales tax rate that is lower
12 than one-half of one percent, and one and one-half of one
13 percent in municipalities that do not have a local sales tax
14 or that have a sales tax that is lower than one and one-half
15 of one percent, otherwise, the Alcoholic Beverage Control
16 Board would collect the applicable local sales taxes in the
17 jurisdictions in which the Alcoholic Beverage Control Board
18 retail stores are located; and to repeal Section 28-3-286,
19 Code of Alabama 1975, relating to the effective date of the
20 article.

21 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

22 Section 1. Sections 28-3-280, 28-3-281, 28-3-282,
23 28-3-283, and 28-3-284, Code of Alabama 1975, are amended to
24 read as follows:

25 "§28-3-280.

26 "(a) In addition to all other taxes levied and
27 collected on the sale of any alcoholic beverage, there is

1 hereby levied an additional state sales tax ~~in the amount of~~
2 ~~two percent of~~ based on the retail price, excluding taxes, on
3 the sales of alcoholic beverages sold at retail by Alcoholic
4 Beverage Control Board stores. as follows:

5 "(1) One-half of one percent in counties that either
6 do not levy a sales tax on the effective date of the act
7 adding this subdivision or have a sales tax rate which is
8 lower than one-half of one percent on such date or decrease
9 their sales tax rate below one-half of one percent or repeal
10 their sales tax entirely after such date.

11 "(2) One and one-half percent in cities or
12 municipalities that either do not levy a sales tax on the
13 effective date of the act adding this subdivision or have a
14 sales tax rate lower than one and one-half percent on such
15 date or decrease their sales tax rate below one and one-half
16 percent or repeal their sales tax entirely after such date.

17 "(b) In all other counties, cities, and
18 municipalities in which the Alabama Alcoholic Beverage Control
19 Board retail stores are located, the applicable local sales
20 taxes levied by local governing bodies shall be collected as
21 provided by this article.

22 "(c) Such tax shall be in addition to any and all
23 other taxes collected on sales. Notwithstanding the foregoing,
24 at no time shall both the additional state sales tax provided
25 in this section and the applicable local sales tax be
26 collected on the same sale.

27 "§28-3-281.

1 " (a) ~~The~~ Where applicable, the Alcoholic Beverage
2 Control Board shall collect the revenues generated by the
3 additional state sales tax levied by this article in the same
4 manner as other taxes and fees collected by it. The additional
5 state sales taxes as collected by the Alcoholic Beverage
6 Control Board on retail sales shall be paid to the Department
7 of Revenue. ~~The Department of Revenue shall redistribute the~~
8 ~~proceeds therefrom in the following manner unless distribution~~
9 ~~is otherwise provided by local act: (1) The department shall~~
10 may withhold any reasonable charges incurred by the department
11 in handling such taxes which charges shall be prorated on the
12 basis of the sum collected; provided, however, such charges
13 shall not exceed a sum equal to five percent of the amount
14 collected; ~~(2) An amount equal to 25 percent of the tax~~
15 ~~proceeds shall be distributed to the respective counties in~~
16 ~~which the taxes are collected, less costs as provided in~~
17 ~~subdivision (1) above; and (3) An amount equal to 75 percent~~
18 ~~of the tax proceeds shall be distributed to the respective~~
19 ~~municipalities in which the taxes are collected, less costs as~~
20 ~~provided in subdivision (1) above. The remaining proceeds~~
21 shall then be distributed to the respective local governing
22 body in which jurisdiction the retail store is located and the
23 additional state sales tax is collected. ~~(b)~~ The Department of
24 Revenue shall prepare and distribute such reports, forms, and
25 other information as may be necessary for the collection and
26 distribution of the ~~said~~ additional state sales taxes.

1 "(b) Where applicable, the Alcoholic Beverage
2 Control Board shall collect the revenues generated by the
3 applicable local sales taxes levied by local governing bodies
4 in which jurisdictions Alcoholic Beverage Control Board retail
5 stores are located. The local sales taxes as collected by the
6 Alcoholic Beverage Control Board on retail sales, subject to
7 any discounts or benefits allowed retailers, shall be paid to
8 the appropriate county, city, or municipality or other
9 authorized representative. The county, city, or municipality
10 shall redistribute the proceeds from the tax in the same
11 manner as provided by law, ordinance, or resolution for other
12 sales tax receipts in the county, city, or municipality.
13 Notwithstanding the foregoing, in any county in which the
14 applicable sales tax is distributed for purposes other than
15 general county purposes, there shall first be paid into the
16 county general fund from the proceeds of the applicable county
17 sales tax collected at the retail stores an amount of the
18 proceeds equal to the amount received from the additional
19 state sales tax levied prior to the effective date of the act
20 adding this subsection for the 2006 fiscal year plus an amount
21 of growth calculated by the growth in total county sales tax
22 receipts for the preceding fiscal year, or the entire amount
23 collected, whichever is less. The remaining proceeds shall be
24 distributed as provided by law, ordinance, or resolution for
25 other county sales tax receipts. The county shall calculate
26 the appropriate amount of growth annually prior to the
27 beginning of the county fiscal year. The county, city, or

1 municipality shall prepare and distribute such reports, forms,
2 and other information as may be necessary for the collection
3 and distribution of such local sales taxes.

4 "§28-3-282.

5 "The additional state sales tax proceeds and local
6 sales tax proceeds distributed to ~~counties~~ county general
7 funds under the provisions of this article or as provided by
8 appropriate local law, ordinance, or resolution shall be used
9 by those counties exclusively for law enforcement purposes
10 unless otherwise provided by local act.

11 "§28-3-283.

12 "The Commissioner of the Department of Revenue ~~is~~
13 and the Alcoholic Beverage Control Board are authorized to
14 promulgate all reasonable rules ~~and regulations~~ necessary to
15 implement the provisions of this article relating to the
16 additional state sales tax levied on retail sales at Alcoholic
17 Beverage Control Board retail stores. The appropriate county,
18 city, and municipality and the Alcoholic Beverage Control
19 Board are authorized to promulgate all reasonable rules and
20 regulations necessary to implement the provisions of this
21 article relating to the local sales taxes collected on retail
22 sales at Alcoholic Beverage Control Board retail stores.

23 "§28-3-284.

24 "Any county, city, or municipality receiving any
25 ~~additional~~ taxes pursuant to the provisions of this article
26 shall be prohibited from levying any ~~additional~~ separate taxes
27 or fees on the sale of alcoholic beverages which would be

1 collected or paid by the Alabama Alcoholic Beverage Control
2 Board or its retail stores."

3 Section 2. Section 28-3-286, Code of Alabama 1975,
4 is repealed.

5 Section 3. This act shall become effective January
6 1, 2011, following its passage and approval by the Governor,
7 or its otherwise becoming law.