

1 SB111
2 189288-1
3 By Senator Sanford
4 RFD: County and Municipal Government
5 First Read: 09-JAN-18

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8 SYNOPSIS: Under existing law, the Department of
9 Revenue is authorized to enter into agreements with
10 counties and municipalities to collect and
11 administer local sales, use, rental, and lodging
12 taxes. To recover its costs, the department is
13 authorized to charge a municipality a maximum of
14 two percent of the revenue collected and a county a
15 maximum of five percent of the revenue collected.

16 This bill would prohibit the Department of
17 Revenue from charging a local governmental entity
18 for which it provides collection and administration
19 for a tax levy of the entity for the cost of
20 filing, payment processing, and remittance services
21 for any tax authorized to be filed under the ONE
22 SPOT system of the department and would define
23 collection and administrative services for those
24 purposes. The bill would also reduce the maximum
25 percentage the department could charge a county to
26 two percent.

1 This bill would also extend the time period
2 for notification of the Department of Revenue by
3 local governments of new or changed local
4 governmental tax levies from 30 days prior to the
5 effective date of the tax to 60 days prior to the
6 effective date and would provide for liability
7 relief for vendors and business taxpayers who
8 incorrectly collect local rates due to the lack of
9 proper notification of rate changes to the
10 department.

11
12 A BILL
13 TO BE ENTITLED
14 AN ACT

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16 To amend Sections 11-3-11.3, 11-51-183, 11-51-208,
17 11-51-210, 40-12-4, and 40-12-7, and add Section 11-51-210.1,
18 to the Code of Alabama 1975, relating to the Department of
19 Revenue; to further provide for the administration of local
20 sales, use, rental, and lodgings tax; to prohibit the
21 department from charging for certain services related to taxes
22 authorized to be filed under the ONE SPOT system; to decrease
23 the cap on costs the department can charge a county from five
24 percent to two percent; to extend the county and municipal tax
25 levy and rate notification requirements to the department; and
26 to provide liability relief for miscollection of local taxes
27 due to the lack of proper rate change notifications.

1 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

2 Section 1. Sections 11-3-11.3, 11-51-183, 11-51-208,
3 11-51-210, 40-12-4, and 40-12-7 of the Code of Alabama 1975,
4 are amended to read as follows:

5 "§11-3-11.3.

6 "(a) Counties may, upon request of the county
7 commission, engage the Department of Revenue to collect and
8 administer any county sales, use, rental, lodgings, tobacco,
9 or other local taxes for which there is a corresponding state
10 levy. Subject to subsections (d) and (e) below, the department
11 shall collect and administer a county sales, use, rental,
12 lodgings, tobacco, or other tax for which there is a
13 corresponding state levy on behalf of the requesting county.
14 Any county sales, use, rental, or lodgings tax levy
15 administered and collected by the Department of Revenue
16 pursuant to this section, whether the levy is imposed pursuant
17 to the authority of Section 40-12-4, or any general, special,
18 or local act of the Legislature, shall parallel the
19 corresponding state tax levy, except for the rate of tax, and
20 shall be subject to all definitions, exceptions, exemptions,
21 proceedings, requirements, provisions, rules, regulations,
22 direct pay permits and drive-out certificate procedures,
23 statutes of limitation, penalties, fines, punishments, and
24 deductions as applicable to the corresponding state tax,
25 except where otherwise provided in this section, including
26 provisions for the enforcement and collection of taxes. The
27 Department of Revenue shall make available to those counties

1 for which it collects and administers a sales, use, rental, or
2 lodgings tax collected and administered pursuant to this
3 section the same services which are made available to
4 municipal governments pursuant to Division 4 of Article 2 of
5 Chapter 51 and Article 3 of Chapter 51.

6 "(b) The Department of Revenue shall prepare and
7 distribute those reports, forms, and other information as may
8 be necessary to provide for its collection and administration
9 of any county tax it collects and administers and, on request,
10 shall make all reports available for inspection by the
11 governing body of the county. In collecting and administering
12 a county sales, use, rental, or lodgings tax, the department
13 shall have all the authority and duties as it has in
14 connection with the collection and administration of the
15 corresponding state tax including, without limitation, the
16 provisions of Chapters 2A, 12, 23, and 26 of Title 40.

17 "(c) (1) The Commissioner of Revenue shall deposit
18 into the State Treasury all county taxes collected and, on a
19 biweekly basis, shall certify to the ~~state~~ Comptroller the
20 amount of taxes collected for the approximate two-week period
21 immediately preceding the certification and the amount, less
22 the Department of Revenue's actual cost of collection and
23 administration, to be distributed to each county and which
24 shall be paid to the treasurer or other custodian of funds of
25 the county within three days after certification thereof.

26 "(2) The department shall charge each county the
27 actual cost to the department for collecting and administering

1 a tax. Notwithstanding the preceding sentence, however, the
2 charge shall not exceed two percent of the amount collected
3 for each county. At least once each month, the ~~state~~
4 Comptroller shall issue a warrant to the Department of Revenue
5 for the collection and administration charges due as
6 determined by the Commissioner of Revenue. Payment shall be
7 from funds collected under this section and shall be the
8 actual cost of collection and administration, not to exceed
9 two percent of the amount collected for each county.

10 "(3) Notwithstanding any other provisions of law,
11 the Department of Revenue shall not charge a fee to the county
12 for the cost of filing, payment processing, and remittance
13 services relating to any tax authorized to be filed under the
14 ONE SPOT system of the department. References in this
15 subsection to filing, payment processing, and remittance
16 services shall mean and refer only to the ONE SPOT system to
17 file and pay taxes authorized to be filed thereunder, and
18 shall not include the collection and administration of local
19 taxes as defined in subsection (i).

20 ~~"(3)~~ (4) Within 60 days after the end of each fiscal
21 year, the department, in cooperation with the office of the
22 Examiner of Public Accounts, shall recompute its actual costs
23 for collection and administration of county taxes for the
24 preceding fiscal year. Any collection and administration
25 over-charge shall be redistributed to the counties for which
26 the department collects and administers local taxes, on a pro

1 rata basis of each county's receipts. No under-charge shall be
2 recovered, either directly or indirectly, from any county.

3 "(d) Except where the department is collecting on
4 July 1, 1998, any county which has a tax levy that will be
5 collected and administered by the Department of Revenue
6 pursuant to the provisions of this section shall forward a
7 certified copy of the enabling ordinance or resolution to the
8 department at least ~~30~~ 60 days prior to the first day of the
9 month on which it is to begin collecting and administering the
10 tax.

11 "(e) A new levy, or a levy changed by an amendment
12 of a heretofore adopted levy, which will be collected and
13 administered under this section shall not be subject to
14 collection and administration by the Department of Revenue
15 until the first day of the month ~~next~~ following the expiration
16 of ~~30~~ 60 days after receipt by the department of a certified
17 copy of the enabling ordinance or resolution with any
18 amendment thereto.

19 "(f) The Department of Revenue shall from time to
20 time issue such rules and regulations for making returns and
21 for ascertainment, assessment, collection, and administration
22 of taxes subject to the provisions of this section as it may
23 deem necessary to enforce its provisions and shall ~~furnish~~
24 make available any municipal or county government ~~with~~ a copy
25 of those rules and regulations ~~within 15 days of final~~
26 ~~adoption~~. Upon request, the Department of Revenue shall

1 furnish any taxpayer with a copy of those rules and
2 regulations.

3 "(g) Any self-administered county governing body, as
4 defined in ~~Section 40-2A-3(20)~~ Section 40-2A-3(21), may elect,
5 by the adoption of an ordinance or resolution, to assess
6 interest on any tax delinquency. Any such assessment of
7 interest shall be consistent with the provisions of Section
8 40-23-2.1. Any self-administered county governing body may
9 also elect, by the adoption of an ordinance or resolution, to
10 pay interest on any refund of tax erroneously paid. In the
11 event that the governing body elects to assess interest on any
12 tax delinquency, the governing body must also elect to pay
13 interest, at the same rate charged by the county on tax
14 delinquencies, on any refund of tax erroneously paid. Unless
15 otherwise specified in the ordinance or resolution in which
16 the county governing body elects to assess or pay interest
17 determined in accordance with Section 40-1-44, the applicable
18 interest rate to be charged by or due from the county shall be
19 one percent per month. References in this subsection to
20 "erroneously paid" taxes on which interest shall be due to the
21 taxpayer shall only mean and refer to taxes paid to the
22 self-administered county or its agent as a result of any
23 error, omission, or inaccurate advice by or on behalf of the
24 self-administered county, including in connection with a prior
25 examination of its books and records by the self-administered
26 county or its agent.

1 "(h) Notwithstanding subsection (g), the applicable
2 interest rate to be assessed on any tax delinquency or paid on
3 any refund of erroneously paid taxes with respect to all
4 county sales, use, rental, and lodgings tax levies collected
5 by the Department of Revenue shall be determined in accordance
6 with Section 40-1-44.

7 "(i) For the purpose of this section, the terms
8 collection and administration are defined as the act or
9 process of managing local taxes and local tax assignments;
10 this process includes but is not limited to any or all
11 functions required or performed, or both, to receive,
12 reconcile, process, audit, assess, collate, and distribute
13 local taxes.

14 "§11-51-183.

15 "(a) The Commissioner of Revenue shall deposit into
16 the State Treasury all municipal taxes collected by the
17 department under this division; and, on a biweekly basis, the
18 commissioner shall certify to the ~~state~~ Comptroller the amount
19 of taxes collected under the provisions of this division for
20 the approximate two-week period immediately preceding the
21 certification and the amount to be distributed to each
22 municipality, less collection and administration charges
23 deducted, which shall be paid to the treasurer or other
24 custodian of funds of the municipality within three days after
25 certification thereof.

26 "(b) The Department of Revenue shall charge each
27 municipality its actual cost for collecting and administering

1 the municipal license taxes. Notwithstanding the previous
2 sentence, however, the charge shall not exceed two percent of
3 the amount collected for that municipality.

4 "(c) Within 60 days after the end of each fiscal
5 year, the Department of Revenue, in cooperation with the
6 office of the Examiner of Public Accounts, shall recompute its
7 actual cost for collection and administration of local taxes
8 for the preceding fiscal year. Any collection and
9 administration over-charge shall be redistributed to the
10 municipalities for which the department collects and
11 administers local taxes, on a pro rata basis of each
12 municipality's receipts. No under-charge shall be recovered,
13 either directly or indirectly, from any municipality.

14 "(d) The ~~state~~ Comptroller shall at least once each
15 month issue a warrant on the funds collected under this
16 division payable to the Department of Revenue for the amount
17 of the charges as determined by the Commissioner of Revenue.

18 "(e) The Department of Revenue shall not charge a
19 fee to the municipality, city, or town for the cost of filing,
20 payment processing, and remittance services relating to any
21 tax authorized to be filed under the ONE SPOT system of the
22 department. References in this subsection to filing, payment
23 processing, and remittance services shall mean and refer only
24 to the ONE SPOT system to file and pay taxes authorized to be
25 filed thereunder, and shall not include the collection and
26 administration of local taxes as defined in Section
27 11-3-11.3(i).

1 "(f) The Department of Revenue shall make available
2 to those localities for which it administers the taxes imposed
3 pursuant to this section the same services that are made
4 available to municipal governments pursuant to this division
5 and Article 3, commencing with Section 11-51-200, of this
6 chapter. In the event a general law establishes a system to
7 remit municipal taxes or municipal business license taxes
8 through a central portal provided by the Department of
9 Revenue, such collection shall only occur through the portal
10 when the levy is standardized with all other similar local
11 levies regarding the point of collection, measure of taxation,
12 due dates, discounts, and exemptions but not the rate of tax.

13 "(g) For the purpose of this section, the terms
14 collection and administration shall be defined using the
15 definition provided for in Section 11-3-11.3(i), Code of
16 Alabama 1975.

17 "§11-51-208.

18 "(a) Municipalities may, upon request of the
19 municipal governing body, engage the Department of Revenue to
20 collect and administer their municipal sales, use, rental, and
21 lodgings tax. Subject to subsections (c) and (d), the
22 Department of Revenue shall collect and administer the
23 municipal sales, use, rental, and lodgings tax on behalf of
24 the requesting municipality. The Department of Revenue shall
25 prepare and distribute reports, forms, and other information
26 as may be necessary to provide for the collection and
27 administration of any municipal tax it collects and

1 administers and, on request, shall make all reports available
2 for inspection by the governing body of the municipality. In
3 collecting and administering a municipal sales, use, rental,
4 or lodgings tax, the department shall have all the authority
5 and duties as it has in connection with the collection and
6 administration of the corresponding state tax including,
7 without limitation, the provisions of Chapters 2A, 12, 23, and
8 26 of Title 40.

9 " (b) (1) The Commissioner of Revenue shall deposit
10 into the State Treasury all municipal taxes collected and, on
11 a biweekly basis, shall certify to the ~~state~~ Comptroller the
12 amount of taxes collected for the approximate two-week period
13 immediately preceding the certification and the amount, less
14 the Department of Revenue's actual cost of collection and
15 administration, to be distributed to each municipality, which
16 shall be paid to the treasurer or other custodian of funds of
17 the municipality within three days after certification
18 thereof.

19 " (2) The department shall charge each municipality
20 the actual cost to the department for collecting and
21 administering its tax. Notwithstanding the preceding sentence,
22 however, the charge shall not exceed two percent of the amount
23 collected for each municipality. At least once each month, the
24 ~~state~~ Comptroller shall issue a warrant to the Department of
25 Revenue for the collection and administration charges due as
26 determined by the Commissioner of Revenue. Payment shall be
27 from funds collected under this section and shall be the

1 actual cost of collection and administration, not to exceed
2 two percent of the amount collected for each municipality.
3 Notwithstanding any other provision of law, the Department of
4 Revenue shall not charge a fee to the municipality, city, or
5 town for the cost of filing, payment processing, and
6 remittance services relating to any tax authorized to be filed
7 under the ONE SPOT system of the department. References in
8 this subsection to filing, payment processing, and remittance
9 services shall mean and refer only to the ONE SPOT system to
10 file and pay taxes authorized to be filed thereunder, and
11 shall not include the collection and administration of local
12 taxes as defined in Section 11-3-11.3(i).

13 "(3) Within 60 days after the end of each fiscal
14 year, the department, in cooperation with the office of the
15 Examiner of Public Accounts, shall recompute its actual costs
16 for collection and administration of municipal taxes for the
17 preceding fiscal year. Any collection and administration
18 over-charge shall be redistributed to the municipalities for
19 which the department collects and administers local taxes, on
20 a pro rata basis of each municipality's receipts. No
21 undercharge shall be recovered, either directly or indirectly,
22 from any municipality.

23 "(c) Except where the department is collecting on
24 July 1, 1998, any municipality which has a tax levy that will
25 be collected and administered by the Department of Revenue
26 pursuant to the provisions of this section shall forward a
27 certified copy of the enabling act, ordinance, or resolution

1 to the department at least ~~30~~ 60 days prior to the first day
2 of the first month on which the department is to begin
3 collecting and administering the tax.

4 "(d) A new levy, or a levy changed by an amendment
5 of a heretofore adopted levy, which will be collected and
6 administered under this section shall not be subject to
7 collection and administration by the Department of Revenue
8 until the first day of the month next following the expiration
9 of ~~30~~ 60 days after receipt by the department of a certified
10 copy of the enabling act, ordinance, or resolution with any
11 amendments thereto.

12 "(e) Subject to the provisions of this section, the
13 Department of Revenue shall from time to time issue such rules
14 and regulations for making returns and for ascertainment,
15 assessment, collection, and administration of taxes subject to
16 the provisions of this section as it may deem necessary to
17 enforce its provisions and shall furnish any county or
18 municipal governing body with a copy of those rules and
19 regulations within 15 days of final adoption. Upon request,
20 the Department of Revenue shall furnish any taxpayer with a
21 copy of those rules and regulations.

22 "(f) Any self-administered municipal governing body,
23 as defined in ~~Section 40-2A-3(20)~~ Section 40-2A-3(21), may
24 elect, by the adoption of an ordinance or resolution, to
25 assess interest on any tax delinquency. Any such assessment of
26 interest shall be consistent with the provisions of Section
27 40-23-2.1. Any self-administered municipal governing body may

1 also elect, by the adoption of an ordinance or resolution, to
2 pay interest on any refund of tax erroneously paid. In the
3 event that the governing body elects to assess interest on any
4 tax delinquency, the governing body must also elect to pay
5 interest, at the same rate charged by the municipality on tax
6 delinquencies, on any refund of tax erroneously paid. Unless
7 otherwise specified in the ordinance or resolution in which
8 the municipal governing body elects to assess and pay interest
9 determined in accordance with Section 40-1-44, the applicable
10 interest rate to be charged by or due from the municipality
11 shall be one percent per month. References in this subsection
12 to "erroneously paid" taxes on which interest shall be due to
13 the taxpayer shall only mean and refer to taxes erroneously
14 paid to the self-administered municipality or its agent as a
15 result of any error, omission, or inaccurate advice by or on
16 behalf of the self-administered municipality, including in
17 connection with a prior examination of its books and records
18 by the self-administered municipality or its agent.

19 "(g) Notwithstanding subsection (f), the applicable
20 interest rate to be assessed on any tax delinquency or paid on
21 any refund of erroneously paid taxes with respect to all
22 municipal sales, use, rental, and lodgings tax levies
23 collected and administered by the Department of Revenue shall
24 be determined in accordance with Section 40-1-44.

25 "(h) For the purpose of this section, the terms
26 collection and administration shall be defined using the

1 definition provided for in Section 11-3-11.3(i), Code of
2 Alabama 1975.

3 "§11-51-210.

4 "(a) By December 31, 1998, the Department of Revenue
5 shall develop and promulgate in the form of a proposed agency
6 rule a standard multi-jurisdictional tax form and a singular
7 jurisdictional tax form for the reporting and payment of
8 municipal and county sales, use, rental, and lodgings taxes
9 for those municipalities and counties for which the department
10 serves as the collecting agent from time to time.

11 "(b) By December 31, 1998, a committee consisting of
12 three representatives appointed by the Alabama League of
13 Municipalities (ALM), who shall be municipal employees,
14 officials, or attorneys, and three representatives appointed
15 by the Association of County Commissions of Alabama (ACCA),
16 who shall be county employees, officials, or attorneys, shall
17 develop a standard multiple jurisdictional tax form and a
18 singular jurisdictional tax form for the reporting and payment
19 of all county and municipal sales, use, rental, and lodgings
20 taxes for all counties and municipalities, except
21 municipalities and counties that levy a gross receipts tax in
22 the nature of a sales tax, as defined in Section 40-2A-3(8),
23 that elects to be self-administered, as defined in Section
24 40-2A-3(21), from time to time. The committee shall also
25 establish procedures for issuance of an amended form to take
26 into account any new levies or changes in the tax rate or the
27 law. Once the form and procedures are developed by the

1 committee, they shall be distributed for comment to all
2 counties and municipalities, the Business Council of Alabama,
3 the Alabama Retail Association, the Alabama Chapter of the
4 National Federation of Independent Business, and the
5 Department of Revenue. Comments shall be returned to the
6 committee within 45 days. Following the close of the comment
7 period, the committee shall adopt a standard form and the
8 procedures for issuance of an amended form. The form and
9 procedure shall thereafter be distributed to self-administered
10 counties and municipalities with instructions that the
11 standard form shall be used by each self-administered county
12 and municipality.

13 "(c) On and after the first day of the third month
14 following the adoption of the standard tax forms prescribed by
15 subsection (a) and subsection (b), all municipalities and
16 counties administered by the department, and all
17 self-administered counties and municipalities, respectively,
18 shall accept the applicable form without material variation.
19 Subsequent changes to the form prescribed by subsection (b)
20 shall be effected in compliance with the procedures developed
21 by the committee. Any change in the tax rate shall take effect
22 without regard to the form in use.

23 "(d) Other than a self-administered county or
24 municipality that levies a gross receipts tax in the nature of
25 a sales tax, as defined in Section 40-2A-3(8), any county or
26 municipality levying or administering any one or more sales,
27 use, rental, or lodgings taxes shall accept, for reporting and

1 payment of taxes due that county or municipality, bulk
2 submissions of reports and, under regulations to be
3 promulgated by the self-administered county or municipality
4 affected, payments owed to such county or municipality made on
5 behalf of a taxpayer by its properly authorized representative
6 where such submissions are made using the appropriate form
7 developed under this section. Any such bulk submissions or
8 reports and payments shall include the municipality's or
9 county's assigned identification number for each such taxpayer
10 and vendee for each tax paid and contain sufficiently detailed
11 information by which each taxpayer and each vendee can be
12 identified such that a determination can be made as to the
13 amount and method of assessment of tax against such taxpayer
14 and vendee for the applicable county or municipality. The
15 acceptance by a county or municipality of such bulk
16 submissions shall not relieve the taxpayer on whose behalf
17 such submissions were made from liability for any sales, use,
18 rental, or lodgings tax arising from an error or omission made
19 by the taxpayer's representative. Any self-administered county
20 or municipality accepting such bulk submission may require
21 that the submission be signed by the taxpayer or its properly
22 authorized representative.

23 "(e) By June 30, 1998, every county and municipality
24 levying or administering a sales, use, rental, lodgings,
25 tobacco, gasoline, or ad valorem tax as of June 1, 1998, shall
26 submit to the Department of Revenue a list of the taxes then
27 levied or administered by that county or municipality and the

1 current rates thereof. Thereafter, every county and
2 municipality levying or administering a new sales, use,
3 rental, lodgings, tobacco, gasoline, or ad valorem tax or
4 amending an existing sales, use, rental, lodgings, tobacco,
5 gasoline, or ad valorem tax levy shall submit to the
6 department written notification of the new tax levy or the
7 amendment of an existing tax levy, in a manner as prescribed
8 by the department, at least ~~30~~ 60 days prior to the effective
9 date of the tax or amendment. The department shall send return
10 confirmation of the notification of the tax levy or amendment
11 of an existing tax levy to the county or municipality no later
12 than the first day of the second month following receipt of
13 proper notification by the county or municipality to the
14 department. The effective date of the tax levy or amendment of
15 an existing tax levy shall be the first day of the third month
16 following the department's receipt of proper notification as
17 required herein. However, failure to notify the department, as
18 required by this subsection, shall not invalidate the levy of
19 the tax but shall relieve the taxpayer of liability for having
20 charged and collected an incorrect rate as provided herein.
21 The department shall compile this information into a ~~written~~
22 publication which shall be published ~~and issued~~ on a monthly
23 basis to each municipal and county governing authority,
24 private auditing firm, as defined in Section 40-2A-3(17), and
25 to others who have so requested the publication. This ~~written~~
26 publication shall provide a then current listing of each
27 county and municipality levying or administering a sales, use,

1 rental, lodgings, tobacco, gasoline, or ad valorem tax and the
2 current rate thereof. Beginning March 1, 2018, any taxpayer
3 collecting sales, use, rental, or lodgings tax in compliance
4 with the tax rates published by the department as required by
5 this subsection shall be relieved from liability to Alabama
6 and its local jurisdictions for having charged and collected
7 an insufficient rate based upon the rate published by the
8 department. If the rate published by the department and relied
9 upon by the taxpayer is less than the actual rate provided on
10 the return confirmation provided to the county or municipality
11 as required by this subsection, the department shall be
12 responsible to the local jurisdiction for reimbursement of the
13 amount due as a result of the difference between the published
14 rate and that actual rate as provided to the department. The
15 liability is only applicable for a period not to exceed one
16 year from the date the incorrect rate was published by the
17 department. Notwithstanding the preceding requirement, if a
18 county or municipality fails to properly notify the department
19 of a new levy or amendment to an existing levy, the department
20 shall be relieved from liability to the local jurisdiction for
21 a taxpayer having charged and collected an insufficient amount
22 of tax based upon the rates published by the department.
23 Proper notification of a new levy or amendment to an existing
24 levy shall be in a manner as prescribed by the department. A
25 ~~taxpayer shall not be relieved of liability for the proper~~
26 ~~amount of taxes owed even though the published tax rate or~~
27 ~~levy was in error.~~ However, no penalties or interest for late

1 payment or underpayment of taxes shall begin to accrue until
2 the proper tax rate or levy has been on file at the department
3 for at least ~~30~~ 60 days, unless the taxpayer had actual
4 knowledge of the correct tax rate or levy as of an earlier
5 date.

6 "(f) For the purpose of this section, the terms
7 collection and administration shall be defined using the
8 definition provided for in Section 11-3-11.3(i), Code of
9 Alabama 1975.

10 "§40-12-4.

11 "(a) In order to provide funds for public school
12 purposes, the governing body of each of the several counties
13 in this state is hereby authorized by ordinance to levy and
14 provide for the assessment and collection of franchise, excise
15 and privilege license taxes with respect to privileges or
16 receipts from privileges exercised in such county, which shall
17 be in addition to any and all other county taxes heretofore or
18 hereafter authorized by law in such county. Such governing
19 body may, in its discretion, submit the question of levying
20 any such tax to a vote of the qualified electors of the
21 county. If such governing body submits the question to the
22 voters, then the governing body shall also provide for holding
23 and canvassing the returns of the election and for giving
24 notice thereof. All the proceeds from any tax levied pursuant
25 to this section less the cost of collection and administration
26 thereof shall be used exclusively for public school purposes,
27 including specifically and without limitation capital

1 improvements and the payment of debt service on obligations
2 issued therefor.

3 "(b) Notwithstanding anything to the contrary
4 herein, ~~said~~ the governing body shall not levy any tax
5 hereunder measured by gross receipts, except a sales or use
6 tax which parallels, except for the rate of tax, that imposed
7 by the state under this title. Any such sales or use tax on
8 any automotive vehicle, truck trailer, trailer, semitrailer,
9 or travel trailer required to be registered or licensed with
10 the probate judge, where not collected by a licensed Alabama
11 dealer at time of sale, shall be collected and fees paid in
12 accordance with the provisions of Sections 40-23-104 and
13 40-23-107, respectively. No such governing body shall levy any
14 tax upon the privilege of engaging in any business or
15 profession unless such tax is levied uniformly and at the same
16 rate against every person engaged in the pursuit of any
17 business or profession within the county; except, that any tax
18 levied hereunder upon the privilege of engaging in any
19 business or profession may be measured by the number of
20 employees of such business or the number of persons engaged in
21 the pursuit of such profession. In all counties having more
22 than one local board of education, revenues collected under
23 the provisions of this section shall be distributed within
24 such county on the same basis of the total calculated costs
25 for the Foundation Program for those local boards of education
26 within the county.

1 "(c) For the purpose of this section, the terms
2 collection and administration shall be defined using the
3 definition provided for in Section 11-3-11.3(i), Code of
4 Alabama 1975.

5 "§40-12-7.

6 "(a) All such taxes collected and administered by
7 the Department of Revenue shall be collected and remitted to
8 the governing bodies of the various counties in the manner as
9 provided for the collection and administration of taxes for
10 cities or towns as provided in Sections 11-51-180 through
11 11-51-185, and the Department of Revenue is authorized to
12 charge the counties for collecting and administering ~~said the~~
13 taxes its actual cost, not to exceed ~~five~~ two percent of the
14 amount collected, and to do any and all things pertaining to
15 the collection and administration of ~~said the~~ taxes for the
16 various counties as ~~said the~~ department is authorized to do in
17 collecting and administering taxes for cities and towns as
18 provided in Sections 11-51-180 through 11-51-185.

19 "(b) For the purpose of this section, the terms
20 collection and administration shall be defined using the
21 definition provided for in Section 11-3-11.3(i), Code of
22 Alabama 1975."

23 Section 2. Section 11-51-210.1, is added to the Code
24 of Alabama 1975, to read as follows.

25 §11-51-210.1.

26 No later than October 1, 2017, the department shall
27 send notice to every county or municipality levying a sales,

1 use, rental, or lodgings tax regarding the rates of such taxes
2 according to the records held by the department. Each county
3 and municipality shall notify the department of an existing
4 erroneous rate published by the department no later than
5 December 1, 2017. The county or municipality notifying the
6 department of such rate error shall send written confirmation,
7 on county or municipal letterhead, to the department listing
8 the erroneous rate published by the department and the
9 corrected rate along with supporting ordinances, resolutions,
10 or documentation. If the county or municipality fails to
11 respond to the department regarding an erroneously published
12 rate pursuant to this section, the taxpayer shall be relieved
13 from liability to the local jurisdiction for having charged
14 and collected an insufficient amount of tax on or after March
15 1, 2018, based upon the rates published by the department on
16 March 1, 2018. Should the county or municipality properly
17 respond and notify the department regarding the erroneously
18 published rate, and the rate published by the department and
19 relied upon by the taxpayer is in conflict with the response
20 provided by the county or municipality as required by this
21 section, the department shall be responsible to the local
22 jurisdiction for reimbursement of the amount due as a result
23 of the difference between the published rate and the actual
24 rate as provided to the department. Such liability shall only
25 be applicable for a period, not to exceed one year, from the
26 date the incorrect rate was published by the department.

1 Section 3. Section 1 of this act shall become
2 effective on March 1, 2018, following its passage and approval
3 by the Governor, or its otherwise becoming law. Section 2 of
4 this act shall become effective immediately following its
5 passage and approval by the Governor, or its otherwise
6 becoming law.