

1 HB470
2 184606-1
3 By Representative Greer
4 RFD: Transportation, Utilities and Infrastructure
5 First Read: 06-APR-17

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8 SYNOPSIS: This bill would require the Department of
9 Revenue to develop and make available a single
10 point of filing and payment program for county and
11 municipal gasoline and motor fuel taxes. The
12 Department of Revenue would be directed to provide
13 up to \$1,000,000 for three years to assist local
14 taxing jurisdictions in interfacing with the
15 system. The bill would also establish a Local Motor
16 Fuel Tax Advisory Committee to advise the
17 Department of Revenue on procedures and the
18 operation of the program.

19
20 A BILL
21 TO BE ENTITLED
22 AN ACT

23
24 Relating to motor fuel taxes; to require the
25 Department of Revenue to develop and make available a system
26 which allows any taxpayer required to file and remit a county
27 or municipal motor fuel tax the capability to file and remit

1 the motor fuel tax returns and payments through an electronic
2 single point of filing program; to provide that there shall be
3 no charge to use the local electronic single point of filing
4 program by a taxpayer or local taxing jurisdiction; to allow
5 the Department of Revenue to adopt rules to implement this
6 act; and to create a Local Motor Fuel Tax Advisory Committee
7 to provide advice to the Commissioner of Revenue and to
8 provide for its members, powers, and duties.

9 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

10 Section 1. (a) Not later than September 30, 2018,
11 the Department of Revenue shall develop and make available a
12 system which allows any taxpayer required to file and remit a
13 county or municipal motor fuel tax the capability to file and
14 remit motor fuel tax returns and payments through an
15 electronic single point of filing program. The system shall be
16 available for use by any taxpayer for tax periods after
17 September 30, 2018, provided the taxpayer complies with this
18 act and any rules adopted by the department for the
19 administration of the system. The system shall allow for motor
20 fuel tax return filing and tax remittance only and may not
21 provide for the administration or enforcement of local motor
22 fuel taxes. This applies to all local motor fuel taxes whether
23 called a tax or license fee.

24 (b) There shall be no charge to local taxing
25 jurisdictions for use of the system by a taxpayer or a local
26 taxing jurisdiction or its designee. Beginning not later than
27 January 1, 2018, the department shall provide financial

1 assistance of up to one million dollars (\$1,000,000) for three
2 years to assist local taxing jurisdictions as necessary to
3 ensure that their local system is capable of effectively
4 interfacing with the system.

5 (c) The system developed and implemented pursuant to
6 subsection (a) shall have the capability to allow a taxpayer
7 to file an electronic tax return for each local taxing
8 jurisdiction in which the taxpayer is required to file and
9 remit a motor fuel tax. The department along with the Local
10 Motor Fuel Tax Advisory Committee shall establish the required
11 information for the electronic tax return, and all information
12 included in the electronic tax return shall be electronically
13 available to each appropriate local taxing jurisdiction
14 without delay. The department shall consult with the Local
15 Motor Fuel Tax Advisory Committee established in Section 3
16 regarding development and implementation of the system.

17 (d) Every local taxing jurisdiction levying or
18 administering a motor fuel tax shall submit to the department
19 a list of the motor fuel taxes levied or administered by that
20 local taxing jurisdiction including current rates and shall
21 submit to the department written notification of any new or
22 amended motor fuel tax at least 30 days prior to the effective
23 date of the tax or amendment. Failure to notify the department
24 shall not invalidate the levy of the tax, except that the
25 department may not be required to program new motor fuel taxes
26 or tax rates in the system until the notice is provided as
27 required herein.

1 Section 2. (a) All local taxing jurisdictions in the
2 state shall authorize use of the system for any taxpayer
3 required to file a local motor fuel tax return or remit the
4 tax payments. Any taxpayer using the system for filing an
5 electronic tax return for a local taxing jurisdiction shall be
6 required to simultaneously remit payment through the system or
7 through another electronic method of payment accepted by the
8 local taxing jurisdiction or its designee for which payment is
9 being made. A local taxing jurisdiction may not accept a tax
10 return from a taxpayer without payment through the system
11 unless the taxpayer has prior approval from the local taxing
12 jurisdiction to utilize a different approved electronic method
13 of payment.

14 (b) Not later than June 30, 2018, each local taxing
15 jurisdiction shall provide the department with necessary
16 information to allow all motor fuel tax payments to be
17 remitted directly to the bank account or other account
18 designated by the local taxing jurisdiction. Each non-state
19 administered local taxing jurisdiction shall set up their
20 accounts to allow dishonored payments to be reversed. All tax
21 payments made through the system for non-state administered
22 local taxing jurisdictions shall be remitted directly from the
23 taxpayer to the designated bank account or other account of
24 the local taxing jurisdiction with the system serving as a
25 conduit only.

26 (c) No taxpayer shall be required to use the system
27 for tax return filing and remittance of local motor fuel

1 taxes; provided, however, any taxpayer using the system shall
2 comply with this act and any rules adopted by the department
3 for the administration of this act. Additionally, any taxpayer
4 using the system shall comply with any rule of the local
5 taxing jurisdiction regarding the administration of the local
6 motor fuel tax.

7 (d) All penalties and interest shall be assessed
8 according to state law and the rules of the department, except
9 that a local taxing jurisdiction may elect to apply the
10 interest at the rate of one percent per month if it notifies
11 the department of the election in a manner prescribed by the
12 department. Additionally, the state discount rate shall be
13 applied except that a local taxing jurisdiction discount rate
14 shall be applied if the local taxing jurisdiction notifies the
15 department of that election in a manner prescribed by the
16 department. A taxpayer who desires a waiver of any penalty
17 assessed in relation to a return filed for a local taxing
18 jurisdiction shall apply directly to that local taxing
19 jurisdiction for the waiver.

20 Section 3. (a) (1) To ensure that local taxing
21 jurisdictions have meaningful input into the development and
22 operation of the system, a Local Motor Fuel Tax Advisory
23 Committee is established to review the design and operation of
24 the system and to make recommendations regarding system
25 requirements and functionality to the Commissioner of Revenue.

26 (2) The committee shall consist of the following
27 persons:

1 a. Three representatives of county government,
2 appointed by the Association of County Commissions of Alabama.

3 b. Three representatives of municipal government,
4 appointed by the Alabama League of Municipalities.

5 c. Two representatives of the retail community,
6 appointed by the Petroleum and Convenience Marketers of
7 Alabama.

8 d. One representative of a county or municipality
9 which levies a motor fuel tax appointed by the Speaker of the
10 House of Representatives who shall be a nonvoting member.

11 e. One representative of the business community
12 appointed by the President Pro Tempore of the Senate who shall
13 be a nonvoting member.

14 (3) The committee members shall receive no
15 compensation or reimbursement of expenses from the state for
16 serving on the committee.

17 (b) The committee shall meet with the Commissioner
18 of Revenue and with other employees of the department as the
19 commissioner deems appropriate. The initial meeting shall be
20 at a time and place to be determined by the commissioner and
21 shall be held not later than September 30, 2017. At the
22 initial meeting, the committee shall organize itself and shall
23 determine the timing and frequency of subsequent meetings.

24 (c) The role of the committee shall be limited to
25 providing input and recommendations on the development and
26 functionality of the system related to the filing of motor
27 fuel tax returns and remittance of payments using the system.

1 The committee shall not review the department's administration
2 of state taxes, state-administered local taxes, or any other
3 department matter beyond the system.

4 (d) If the commissioner fails to act on
5 recommendations made by the committee regarding the system,
6 the committee, by majority vote, may appeal to the Legislative
7 Council for a determination on whether the committee's
8 recommendations shall be implemented. The determination of the
9 Legislative Council shall be final.

10 Section 4. Nothing in this act shall be construed to
11 authorize the Department of Revenue to impose fees on the
12 local taxing jurisdictions or their designees for the
13 maintenance or operation of the system.

14 Section 5. All laws or parts of laws which conflict
15 with this act are repealed.

16 Section 6. This act shall become effective on the
17 first day of the second month following its passage and
18 approval by the Governor, or its otherwise becoming law, for
19 returns and payments for tax periods beginning after September
20 30, 2018.