

1 SB216  
2 173439-7  
3 By Senator Sanford  
4 RFD: County and Municipal Government  
5 First Read: 16-FEB-17

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4 ENGROSSED

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7 A BILL  
8 TO BE ENTITLED  
9 AN ACT

10  
11 To amend Sections 11-3-11.3, 11-51-183, 11-51-208,  
12 11-51-210, 40-12-4, and 40-12-7, and add Section 11-51-210.1,  
13 to the Code of Alabama 1975, relating to the Department of  
14 Revenue; to further provide for the administration of local  
15 sales, use, rental, and lodgings tax; to prohibit the  
16 department from charging for certain services related to taxes  
17 authorized to be filed under the ONE SPOT system; to decrease  
18 the cap on costs the department can charge a county from five  
19 percent to two percent; to extend the county and municipal tax  
20 levy and rate notification requirements to the department; and  
21 to provide liability relief for miscollection of local taxes  
22 due to the lack of proper rate change notifications.

23 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

24 Section 1. Sections 11-3-11.3, 11-51-183, 11-51-208,  
25 11-51-210, 40-12-4, and 40-12-7 of the Code of Alabama 1975,  
26 are amended to read as follows:

27 "§11-3-11.3.

1           "(a) Counties may, upon request of the county  
2           commission, engage the Department of Revenue to collect and  
3           administer any county sales, use, rental, lodgings, tobacco,  
4           or other local taxes for which there is a corresponding state  
5           levy. Subject to subsections (d) and (e) below, the department  
6           shall collect and administer a county sales, use, rental,  
7           lodgings, tobacco, or other tax for which there is a  
8           corresponding state levy on behalf of the requesting county.  
9           Any county sales, use, rental, or lodgings tax levy  
10          administered and collected by the Department of Revenue  
11          pursuant to this section, whether the levy is imposed pursuant  
12          to the authority of Section 40-12-4, or any general, special,  
13          or local act of the Legislature, shall parallel the  
14          corresponding state tax levy, except for the rate of tax, and  
15          shall be subject to all definitions, exceptions, exemptions,  
16          proceedings, requirements, provisions, rules, regulations,  
17          direct pay permits and drive-out certificate procedures,  
18          statutes of limitation, penalties, fines, punishments, and  
19          deductions as applicable to the corresponding state tax,  
20          except where otherwise provided in this section, including  
21          provisions for the enforcement and collection of taxes. The  
22          Department of Revenue shall make available to those counties  
23          for which it collects and administers a sales, use, rental, or  
24          lodgings tax collected and administered pursuant to this  
25          section the same services which are made available to  
26          municipal governments pursuant to Division 4 of Article 2 of  
27          Chapter 51 and Article 3 of Chapter 51.

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

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

21           "(2) The department shall charge each county the  
22          actual cost to the department for collecting and administering  
23          a tax. Notwithstanding the preceding sentence, however, the  
24          charge shall not exceed two percent of the amount collected  
25          for each county. At least once each month, the ~~state~~  
26          Comptroller shall issue a warrant to the Department of Revenue  
27          for the collection and administration charges due as

1 determined by the Commissioner of Revenue. Payment shall be  
2 from funds collected under this section and shall be the  
3 actual cost of collection and administration, not to exceed  
4 two percent of the amount collected for each county.

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

15 ~~"(3)~~ (4) Within 60 days after the end of each fiscal  
16 year, the department, in cooperation with the office of the  
17 Examiner of Public Accounts, shall recompute its actual costs  
18 for collection and administration of county taxes for the  
19 preceding fiscal year. Any collection and administration  
20 over-charge shall be redistributed to the counties for which  
21 the department collects and administers local taxes, on a pro  
22 rata basis of each county's receipts. No under-charge shall be  
23 recovered, either directly or indirectly, from any county.

24 "(d) Except where the department is collecting on  
25 July 1, 1998, any county which has a tax levy that will be  
26 collected and administered by the Department of Revenue  
27 pursuant to the provisions of this section shall forward a

1 certified copy of the enabling ordinance or resolution to the  
2 department at least ~~30~~ 60 days prior to the first day of the  
3 month on which it is to begin collecting and administering the  
4 tax.

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

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

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

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

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

26 "(i) For the purpose of this section, the terms  
27 collection and administration are defined as the act or

1 process of managing local taxes and local tax assignments;  
2 this process includes but is not limited to any or all  
3 functions required or performed, or both, to receive,  
4 reconcile, process, audit, assess, collate, and distribute  
5 local taxes.

6 "§11-51-183.

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

18 "(b) The Department of Revenue shall charge each  
19 municipality its actual cost for collecting and administering  
20 the municipal license taxes. Notwithstanding the previous  
21 sentence, however, the charge shall not exceed two percent of  
22 the amount collected for that municipality.

23 "(c) Within 60 days after the end of each fiscal  
24 year, the Department of Revenue, in cooperation with the  
25 office of the Examiner of Public Accounts, shall recompute its  
26 actual cost for collection and administration of local taxes  
27 for the preceding fiscal year. Any collection and



1 administration over-charge shall be redistributed to the  
2 municipalities for which the department collects and  
3 administers local taxes, on a pro rata basis of each  
4 municipality's receipts. No under-charge shall be recovered,  
5 either directly or indirectly, from any municipality.

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

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

20 "(f) The Department of Revenue shall make available  
21 to those localities for which it administers the taxes imposed  
22 pursuant to this section the same services that are made  
23 available to municipal governments pursuant to this division  
24 and Article 3, commencing with Section 11-51-200, of this  
25 chapter.

26 "(g) For the purpose of this section, the terms  
27 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 "§11-51-208.

4 "(a) Municipalities may, upon request of the  
5 municipal governing body, engage the Department of Revenue to  
6 collect and administer their municipal sales, use, rental, and  
7 lodgings tax. Subject to subsections (c) and (d), the  
8 Department of Revenue shall collect and administer the  
9 municipal sales, use, rental, and lodgings tax on behalf of  
10 the requesting municipality. The Department of Revenue shall  
11 prepare and distribute reports, forms, and other information  
12 as may be necessary to provide for the collection and  
13 administration of any municipal tax it collects and  
14 administers and, on request, shall make all reports available  
15 for inspection by the governing body of the municipality. In  
16 collecting and administering a municipal sales, use, rental,  
17 or lodgings tax, the department shall have all the authority  
18 and duties as it has in connection with the collection and  
19 administration of the corresponding state tax including,  
20 without limitation, the provisions of Chapters 2A, 12, 23, and  
21 26 of Title 40.

22 "(b) (1) The Commissioner of Revenue shall deposit  
23 into the State Treasury all municipal taxes collected and, on  
24 a biweekly basis, shall certify to the ~~state~~ Comptroller the  
25 amount of taxes collected for the approximate two-week period  
26 immediately preceding the certification and the amount, less  
27 the Department of Revenue's actual cost of collection and

1 administration, to be distributed to each municipality, which  
2 shall be paid to the treasurer or other custodian of funds of  
3 the municipality within three days after certification  
4 thereof.

5 "(2) The department shall charge each municipality  
6 the actual cost to the department for collecting and  
7 administering its tax. Notwithstanding the preceding sentence,  
8 however, the charge shall not exceed two percent of the amount  
9 collected for each municipality. At least once each month, the  
10 ~~state~~ Comptroller shall issue a warrant to the Department of  
11 Revenue for the collection and administration charges due as  
12 determined by the Commissioner of Revenue. Payment shall be  
13 from funds collected under this section and shall be the  
14 actual cost of collection and administration, not to exceed  
15 two percent of the amount collected for each municipality.  
16 Notwithstanding any other provision of law, the Department of  
17 Revenue shall not charge a fee to the municipality, city, or  
18 town for the cost of filing, payment processing, and  
19 remittance services relating to any tax authorized to be filed  
20 under the ONE SPOT system of the department. References in  
21 this subsection to filing, payment processing, and remittance  
22 services shall mean and refer only to the ONE SPOT system to  
23 file and pay taxes authorized to be filed thereunder, and  
24 shall not include the collection and administration of local  
25 taxes as defined in Section 11-3-11.3(i).

26 "(3) Within 60 days after the end of each fiscal  
27 year, the department, in cooperation with the office of the

1 Examiner of Public Accounts, shall recompute its actual costs  
2 for collection and administration of municipal taxes for the  
3 preceding fiscal year. Any collection and administration  
4 over-charge shall be redistributed to the municipalities for  
5 which the department collects and administers local taxes, on  
6 a pro rata basis of each municipality's receipts. No  
7 undercharge shall be recovered, either directly or indirectly,  
8 from any municipality.

9 "(c) Except where the department is collecting on  
10 July 1, 1998, any municipality which has a tax levy that will  
11 be collected and administered by the Department of Revenue  
12 pursuant to the provisions of this section shall forward a  
13 certified copy of the enabling act, ordinance, or resolution  
14 to the department at least ~~30~~ 60 days prior to the first day  
15 of the first month on which the department is to begin  
16 collecting and administering the tax.

17 "(d) A new levy, or a levy changed by an amendment  
18 of a heretofore adopted levy, which will be collected and  
19 administered under this section shall not be subject to  
20 collection and administration by the Department of Revenue  
21 until the first day of the month next following the expiration  
22 of ~~30~~ 60 days after receipt by the department of a certified  
23 copy of the enabling act, ordinance, or resolution with any  
24 amendments thereto.

25 "(e) Subject to the provisions of this section, the  
26 Department of Revenue shall from time to time issue such rules  
27 and regulations for making returns and for ascertainment,

1 assessment, collection, and administration of taxes subject to  
2 the provisions of this section as it may deem necessary to  
3 enforce its provisions and shall furnish any county or  
4 municipal governing body with a copy of those rules and  
5 regulations within 15 days of final adoption. Upon request,  
6 the Department of Revenue shall furnish any taxpayer with a  
7 copy of those rules and regulations.

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

1 result of any error, omission, or inaccurate advice by or on  
2 behalf of the self-administered municipality, including in  
3 connection with a prior examination of its books and records  
4 by the self-administered municipality or its agent.

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

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

15 "§11-51-210.

16 "(a) By December 31, 1998, the Department of Revenue  
17 shall develop and promulgate in the form of a proposed agency  
18 rule a standard multi-jurisdictional tax form and a singular  
19 jurisdictional tax form for the reporting and payment of  
20 municipal and county sales, use, rental, and lodgings taxes  
21 for those municipalities and counties for which the department  
22 serves as the collecting agent from time to time.

23 "(b) By December 31, 1998, a committee consisting of  
24 three representatives appointed by the Alabama League of  
25 Municipalities (ALM), who shall be municipal employees,  
26 officials, or attorneys, and three representatives appointed  
27 by the Association of County Commissions of Alabama (ACCA),

1 who shall be county employees, officials, or attorneys, shall  
2 develop a standard multiple jurisdictional tax form and a  
3 singular jurisdictional tax form for the reporting and payment  
4 of all county and municipal sales, use, rental, and lodgings  
5 taxes for all counties and municipalities, except  
6 municipalities and counties that levy a gross receipts tax in  
7 the nature of a sales tax, as defined in Section 40-2A-3(8),  
8 that elects to be self-administered, as defined in Section  
9 40-2A-3(21), from time to time. The committee shall also  
10 establish procedures for issuance of an amended form to take  
11 into account any new levies or changes in the tax rate or the  
12 law. Once the form and procedures are developed by the  
13 committee, they shall be distributed for comment to all  
14 counties and municipalities, the Business Council of Alabama,  
15 the Alabama Retail Association, the Alabama Chapter of the  
16 National Federation of Independent Business, and the  
17 Department of Revenue. Comments shall be returned to the  
18 committee within 45 days. Following the close of the comment  
19 period, the committee shall adopt a standard form and the  
20 procedures for issuance of an amended form. The form and  
21 procedure shall thereafter be distributed to self-administered  
22 counties and municipalities with instructions that the  
23 standard form shall be used by each self-administered county  
24 and municipality.

25 "(c) On and after the first day of the third month  
26 following the adoption of the standard tax forms prescribed by  
27 subsection (a) and subsection (b), all municipalities and

1 counties administered by the department, and all  
2 self-administered counties and municipalities, respectively,  
3 shall accept the applicable form without material variation.  
4 Subsequent changes to the form prescribed by subsection (b)  
5 shall be effected in compliance with the procedures developed  
6 by the committee. Any change in the tax rate shall take effect  
7 without regard to the form in use.

8 "(d) Other than a self-administered county or  
9 municipality that levies a gross receipts tax in the nature of  
10 a sales tax, as defined in Section 40-2A-3(8), any county or  
11 municipality levying or administering any one or more sales,  
12 use, rental, or lodgings taxes shall accept, for reporting and  
13 payment of taxes due that county or municipality, bulk  
14 submissions of reports and, under regulations to be  
15 promulgated by the self-administered county or municipality  
16 affected, payments owed to such county or municipality made on  
17 behalf of a taxpayer by its properly authorized representative  
18 where such submissions are made using the appropriate form  
19 developed under this section. Any such bulk submissions or  
20 reports and payments shall include the municipality's or  
21 county's assigned identification number for each such taxpayer  
22 and vendee for each tax paid and contain sufficiently detailed  
23 information by which each taxpayer and each vendee can be  
24 identified such that a determination can be made as to the  
25 amount and method of assessment of tax against such taxpayer  
26 and vendee for the applicable county or municipality. The  
27 acceptance by a county or municipality of such bulk



1 submissions shall not relieve the taxpayer on whose behalf  
2 such submissions were made from liability for any sales, use,  
3 rental, or lodgings tax arising from an error or omission made  
4 by the taxpayer's representative. Any self-administered county  
5 or municipality accepting such bulk submission may require  
6 that the submission be signed by the taxpayer or its properly  
7 authorized representative.

8 "(e) By June 30, 1998, every county and municipality  
9 levying or administering a sales, use, rental, lodgings,  
10 tobacco, gasoline, or ad valorem tax as of June 1, 1998, shall  
11 submit to the Department of Revenue a list of the taxes then  
12 levied or administered by that county or municipality and the  
13 current rates thereof. Thereafter, every county and  
14 municipality levying or administering a new sales, use,  
15 rental, lodgings, tobacco, gasoline, or ad valorem tax or  
16 amending an existing sales, use, rental, lodgings, tobacco,  
17 gasoline, or ad valorem tax levy shall submit to the  
18 department written notification of the new tax levy or the  
19 amendment of an existing tax levy, in a manner as prescribed  
20 by the department, at least ~~30~~ 60 days prior to the effective  
21 date of the tax or amendment. The department shall send return  
22 confirmation of the notification of the tax levy or amendment  
23 of an existing tax levy to the county or municipality no later  
24 than the first day of the second month following receipt of  
25 proper notification by the county or municipality to the  
26 department. The effective date of the tax levy or amendment of  
27 an existing tax levy shall be the first day of the third month

1 following the department's receipt of proper notification as  
2 required herein. However, failure to notify the department, as  
3 required by this subsection, shall not invalidate the levy of  
4 the tax but shall relieve the taxpayer of liability for having  
5 charged and collected an incorrect rate as provided herein.

6 The department shall compile this information into a ~~written~~  
7 publication which shall be published ~~and issued~~ on a monthly  
8 basis to each municipal and county governing authority,  
9 private auditing firm, as defined in Section 40-2A-3(17), and  
10 to others who have so requested the publication. This ~~written~~  
11 publication shall provide a then current listing of each  
12 county and municipality levying or administering a sales, use,  
13 rental, lodgings, tobacco, gasoline, or ad valorem tax and the  
14 current rate thereof. Beginning March 1, 2018, any taxpayer  
15 collecting sales, use, rental, or lodgings tax in compliance  
16 with the tax rates published by the department as required by  
17 this subsection shall be relieved from liability to Alabama  
18 and its local jurisdictions for having charged and collected  
19 an insufficient rate based upon the rate published by the  
20 department. If the rate published by the department and relied  
21 upon by the taxpayer is less than the actual rate provided on  
22 the return confirmation provided to the county or municipality  
23 as required by this subsection, the department shall be  
24 responsible to the local jurisdiction for reimbursement of the  
25 amount due as a result of the difference between the published  
26 rate and that actual rate as provided to the department. The  
27 liability is only applicable for a period not to exceed one

1 year from the date the incorrect rate was published by the  
2 department. Notwithstanding the preceding requirement, if a  
3 county or municipality fails to properly notify the department  
4 of a new levy or amendment to an existing levy, the department  
5 shall be relieved from liability to the local jurisdiction for  
6 a taxpayer having charged and collected an insufficient amount  
7 of tax based upon the rates published by the department.

8 Proper notification of a new levy or amendment to an existing  
9 levy shall be in a manner as prescribed by the department. A  
10 ~~taxpayer shall not be relieved of liability for the proper~~  
11 ~~amount of taxes owed even though the published tax rate or~~  
12 ~~levy was in error.~~ However, no penalties or interest for late  
13 payment or underpayment of taxes shall begin to accrue until  
14 the proper tax rate or levy has been on file at the department  
15 for at least ~~30~~ 60 days, unless the taxpayer had actual  
16 knowledge of the correct tax rate or levy as of an earlier  
17 date.

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

22 "§40-12-4.

23 "(a) In order to provide funds for public school  
24 purposes, the governing body of each of the several counties  
25 in this state is hereby authorized by ordinance to levy and  
26 provide for the assessment and collection of franchise, excise  
27 and privilege license taxes with respect to privileges or

1 receipts from privileges exercised in such county, which shall  
2 be in addition to any and all other county taxes heretofore or  
3 hereafter authorized by law in such county. Such governing  
4 body may, in its discretion, submit the question of levying  
5 any such tax to a vote of the qualified electors of the  
6 county. If such governing body submits the question to the  
7 voters, then the governing body shall also provide for holding  
8 and canvassing the returns of the election and for giving  
9 notice thereof. All the proceeds from any tax levied pursuant  
10 to this section less the cost of collection and administration  
11 thereof shall be used exclusively for public school purposes,  
12 including specifically and without limitation capital  
13 improvements and the payment of debt service on obligations  
14 issued therefor.

15 "(b) Notwithstanding anything to the contrary  
16 herein, ~~said~~ the governing body shall not levy any tax  
17 hereunder measured by gross receipts, except a sales or use  
18 tax which parallels, except for the rate of tax, that imposed  
19 by the state under this title. Any such sales or use tax on  
20 any automotive vehicle, truck trailer, trailer, semitrailer,  
21 or travel trailer required to be registered or licensed with  
22 the probate judge, where not collected by a licensed Alabama  
23 dealer at time of sale, shall be collected and fees paid in  
24 accordance with the provisions of Sections 40-23-104 and  
25 40-23-107, respectively. No such governing body shall levy any  
26 tax upon the privilege of engaging in any business or  
27 profession unless such tax is levied uniformly and at the same

1 rate against every person engaged in the pursuit of any  
2 business or profession within the county; except, that any tax  
3 levied hereunder upon the privilege of engaging in any  
4 business or profession may be measured by the number of  
5 employees of such business or the number of persons engaged in  
6 the pursuit of such profession. In all counties having more  
7 than one local board of education, revenues collected under  
8 the provisions of this section shall be distributed within  
9 such county on the same basis of the total calculated costs  
10 for the Foundation Program for those local boards of education  
11 within the county.

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

16 "§40-12-7.

17 "(a) All such taxes collected and administered by  
18 the Department of Revenue shall be collected and remitted to  
19 the governing bodies of the various counties in the manner as  
20 provided for the collection and administration of taxes for  
21 cities or towns as provided in Sections 11-51-180 through  
22 11-51-185, and the Department of Revenue is authorized to  
23 charge the counties for collecting and administering ~~said the~~  
24 taxes its actual cost, not to exceed ~~five~~ two percent of the  
25 amount collected, and to do any and all things pertaining to  
26 the collection and administration of ~~said the~~ taxes for the  
27 various counties as ~~said the~~ department is authorized to do in

1 collecting and administering taxes for cities and towns as  
2 provided in Sections 11-51-180 through 11-51-185.

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

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

9 §11-51-210.1.

10 No later than October 1, 2017, the department shall  
11 send notice to every county or municipality levying a sales,  
12 use, rental, or lodgings tax regarding the rates of such taxes  
13 according to the records held by the department. Each county  
14 and municipality shall notify the department of an existing  
15 erroneous rate published by the department no later than  
16 December 1, 2017. The county or municipality notifying the  
17 department of such rate error shall send written confirmation,  
18 on county or municipal letterhead, to the department listing  
19 the erroneous rate published by the department and the  
20 corrected rate along with supporting ordinances, resolutions,  
21 or documentation. If the county or municipality fails to  
22 respond to the department regarding an erroneously published  
23 rate pursuant to this section, the taxpayer shall be relieved  
24 from liability to the local jurisdiction for having charged  
25 and collected an insufficient amount of tax on or after March  
26 1, 2018, based upon the rates published by the department on  
27 March 1, 2018. Should the county or municipality properly

1 respond and notify the department regarding the erroneously  
2 published rate, and the rate published by the department and  
3 relied upon by the taxpayer is in conflict with the response  
4 provided by the county or municipality as required by this  
5 section, the department shall be responsible to the local  
6 jurisdiction for reimbursement of the amount due as a result  
7 of the difference between the published rate and the actual  
8 rate as provided to the department. Such liability shall only  
9 be applicable for a period, not to exceed one year, from the  
10 date the incorrect rate was published by the department.

11 Section 3. Section 1 of this act shall become  
12 effective on March 1, 2018, following its passage and approval  
13 by the Governor, or its otherwise becoming law. Section 2 of  
14 this act shall become effective immediately following its  
15 passage and approval by the Governor, or its otherwise  
16 becoming law.

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Senate

Read for the first time and referred to the Senate  
committee on County and Municipal Government ..... 16-FEB-17

Read for the second time and placed on the calen-  
dar 1 amendment..... 23-FEB-17

Read for the third time and passed as amended .... 09-MAR-17

Yeas 23  
Nays 0

Patrick Harris  
Secretary