

1 HB89  
2 173367-1  
3 By Representatives McMillan, Beckman and Shiver  
4 RFD: State Government  
5 First Read: 03-FEB-16

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8 SYNOPSIS: Existing law does not provide penalties  
9 against a taxpayer who presents a money order or  
10 electronic funds which are not honored for payment  
11 as payment for his or her tax liability.

12 This bill, with certain exceptions, would  
13 provide for the imposition of penalties against a  
14 taxpayer who presents as payment for his or her tax  
15 liability a money order or electronic funds which  
16 are not honored for payment.

17  
18 A BILL  
19 TO BE ENTITLED  
20 AN ACT

21  
22 To amend Section 40-29-70, Code of Alabama 1975, to  
23 provide for the imposition of penalties against a taxpayer who  
24 presents as payment for his or her tax liability a money order  
25 or electronic funds which are dishonored for payment.

26 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

1           Section 1. Section 40-29-70, Code of Alabama 1975,  
2 is amended to read as follows:

3           "§40-29-70.

4           "If any check ~~or~~, money order, or electronic funds  
5 in payment of any amount receivable under this title is not  
6 duly paid, in addition to any other penalties provided by law,  
7 there shall be paid as a penalty by the person who tendered  
8 such check, money order, or electronic funds, upon notice and  
9 demand by the commissioner or his or her delegate, in the same  
10 manner as tax, an amount equal to 10 percent of the amount of  
11 such check, money order, or electronic funds, except that if  
12 the amount of such check, money order, or electronic funds is  
13 less than ~~\$500~~ five hundred dollars (\$500), the penalty under  
14 this section shall be ~~\$10~~ ten dollars (\$10) or the amount of  
15 such check, money order, or electronic funds, whichever is the  
16 lesser. This section shall not apply if the person tendered  
17 such check, money order, or electronic funds in good faith and  
18 with reasonable cause to believe that it would be duly paid,  
19 or settlement is made by the taxpayer within 10 days after  
20 notification of receipt of a bad check, money order, or  
21 nonpayable electronic funds by the department."

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