

1 HB13  
2 171662-1  
3 By Representative Greer  
4 RFD: Ways and Means General Fund  
5 First Read: 08-SEP-15

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8 SYNOPSIS: Under current law, all entities doing  
9 business or registered to do business in Alabama  
10 have an annual filing obligation for business  
11 privilege tax. The business privilege tax is  
12 calculated based on an entity's net worth,  
13 apportioned to Alabama. There is a minimum of \$100  
14 business privilege tax imposed annually on all  
15 entities subject to this tax. Currently, most  
16 taxpayers have an annual maximum business privilege  
17 tax due of \$15,000. Financial institutions are  
18 subject to a minimum tax based on their Alabama  
19 deposits.

20 In addition, under current law, the business  
21 privilege tax due date for financial institutions  
22 is March 15. The Alabama excise tax return filed by  
23 financial institutions is due April 15. Taxpayers  
24 often need to extend the filing date of the  
25 business privilege tax in order to have complete  
26 information not available until the financial  
27 institution excise tax return is completed. All

1 other entity types have corresponding due dates for  
2 both the business privilege tax and the Alabama  
3 income tax return.

4 This bill will increase the annual maximum  
5 amount of business privilege tax due from \$15,000  
6 to \$25,000. In addition, this bill increases the  
7 tax rates and the minimum tax due.

8 This bill will increase the minimum tax  
9 rates for financial institutions and will require  
10 financial institutions with in-state deposits to  
11 calculate their tax based on those deposits.

12 This bill amends the business privilege tax  
13 due date for taxpayers subject to the financial  
14 institution excise tax from March 15 to April 15,  
15 to provide for corresponding tax return due dates  
16 for financial institutions.

17 In addition, Section 12 of Act 99-665, as  
18 amended by Act 2000-705, is codified by this bill  
19 as part of Section 40-14A-22. Other technical  
20 corrections from these acts are also codified by  
21 this bill.

22  
23 A BILL  
24 TO BE ENTITLED  
25 AN ACT  
26

1           To amend Sections 40-14A-22, 40-14A-23, and  
2           40-14A-25, Code of Alabama 1975, to increase the annual  
3           maximum amount of business privilege tax due from \$15,000 to  
4           \$25,000; to increase the annual minimum amount of business  
5           privilege tax due from \$100 to \$125; to increase the business  
6           privilege tax rates; to require financial institutions with  
7           in-state deposits to calculate their tax based on those  
8           deposits; to amend the business privilege tax due date for  
9           taxpayers subject to the financial institution excise tax from  
10          March 15 to April 15, to provide for corresponding tax return  
11          due dates for financial institutions; and to codify Section 12  
12          of Act 99-665, as amended by Act 2000-705, as part of Section  
13          40-14A-22.

14         BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

15                 Section 1. Sections 40-14A-22, 40-14A-23, and  
16                 40-14A-25 are hereby amended to read as follows:

17                 "§40-14A-22.

18                 "(a) Levy of tax. There is hereby levied an annual  
19                 privilege tax on every corporation, limited liability entity,  
20                 and disregarded entity doing business in Alabama, or  
21                 organized, incorporated, qualified, or registered under the  
22                 laws of Alabama. The tax shall accrue as of January 1 of every  
23                 taxable year, or in the case of a taxpayer organized,  
24                 incorporated, qualified, or registered during the year, or  
25                 doing business in Alabama for the first time, as of the date  
26                 the taxpayer is organized, incorporated, registered, or  
27                 qualifies to do business, or begins to do business in Alabama,

1 as the case may be. The taxpayer shall be liable for the tax  
 2 levied by this article for each year beginning before the  
 3 taxpayer has been dissolved or otherwise ceased to exist or  
 4 has withdrawn or forfeited its qualification to do business in  
 5 Alabama. The amount of the tax due shall be determined by  
 6 multiplying the taxpayer's net worth in Alabama by the rate  
 7 determined in subsection (b).

8 "(b) Rate of tax. ~~For all taxable years of taxpayers~~  
 9 ~~that begin after December 31, 1999, the rate of tax shall be~~  
 10 ~~as set forth below.~~

11 ~~If taxable income of~~  
 12 ~~the taxpayer is:~~

	<del>at least</del>	<del>but less than</del>	<del>The tax rate shall</del>
			<del>be</del>
		\$1	<del>\$0.25 per \$1,000</del>
	\$1	\$200,000	<del>\$1.00 per \$1,000</del>
	\$200,000	\$500,000	<del>\$1.25 per \$1,000</del>
	\$500,000	\$2,500,000	<del>\$1.50 per \$1,000</del>
	\$2,500,000		<del>\$1.75 per \$1,000</del>

19 "For all tax returns due after December 31, 2015,  
 20 the rate of tax shall be as set forth below:

1        If taxable income of the  
2        taxpayer is:

		<u>The tax rate shall</u>
3 <u>at least</u>	<u>but less than</u>	<u>be</u>
4 <u>\$1</u>	<u>\$200,000</u>	<u>\$0.31 per \$1,000</u>
5 <u>\$1</u>	<u>\$200,000</u>	<u>\$1.25 per \$1,000</u>
6 <u>\$200,000</u>	<u>\$500,000</u>	<u>\$1.56 per \$1,000</u>
7 <u>\$500,000</u>	<u>\$2,500,000</u>	<u>\$1.87 per \$1,000</u>
8 <u>\$2,500,000</u>		<u>\$2.19 per \$1,000</u>

9                "(c) Minimum tax. Except as provided in subsection  
10        (f), the privilege tax levied by this article on certain  
11        corporations, business trusts, limited liability entities, and  
12        disregarded entities shall not be less than ~~\$100~~ \$125.

13                "(d) Maximum tax.

14                "(1) Except as provided in subdivision (2), the  
15        privilege tax levied by this article shall not exceed ~~\$15,250~~  
16        \$25,000 for any taxpayer ~~for the taxable year beginning~~  
17        ~~January 1, 2000. For each taxable year thereafter, the maximum~~  
18        ~~tax shall not exceed \$15,000 for any taxpayer, except as~~  
19        ~~provided in subdivision (2).~~

20                "(2) With respect to any (i) financial institution  
21        groups as defined in subsection (f) (1); (ii) insurance  
22        company that is subject to the premium taxes levied by Chapter  
23        4A of Title 27; and (iii) corporation, company, limited

1 liability entity, or association whose property is assessed  
2 for taxation pursuant to the provisions of Chapter 21 and is  
3 ~~also~~ obligated to serve the general public, but is not subject  
4 to the Alabama corporate income tax, the privilege tax levied  
5 by this article shall not exceed \$3,000,000, for any taxpayer  
6 or, for a financial institution group, for the financial  
7 institution group as a whole each year except as provided in  
8 subsection (e). ~~With respect to any real estate investment~~  
9 ~~trust as defined in Chapter 13 of Title 10, the privilege tax~~  
10 ~~levied by this article shall not exceed \$500,000, for any~~  
11 ~~taxpayer each year except as provided in subsection (e).~~The  
12 privilege tax levied by this article on any electing family  
13 limited liability entity shall not exceed \$500.

14 "The privilege tax levied by this article on any  
15 corporation organized as a not-for-profit corporation that  
16 does not engage in any business other than holding title to  
17 property and paying the expenses thereof, including, without  
18 limitation, a property owners' association or a corporation  
19 organized solely to hold title to property on a temporary  
20 basis, shall not exceed ~~\$100~~ \$125.

21 "(e) Short taxable years. If any taxpayer's taxable  
22 year is less than 12 months because the taxpayer ~~is~~  
23 ~~incorporated or organized within the taxable year, or if any~~  
24 ~~foreign corporation or foreign limited liability entity~~  
25 ~~qualifies, registers, or begins to do business in this state~~  
26 ~~within the taxable year or~~ converts to a taxable year other  
27 than the calendar year, the amount of the tax levied by this

1 article shall be determined in the manner specified in this  
2 article but apportioned to the short taxable year in same  
3 proportion as the number of days in the short taxable year  
4 bears to 365, but in no event less than ~~\$100~~ \$125 nor more  
5 than the applicable amount specified in subsection (d).

6 "(f) Minimum taxes for financial institution groups.

7 "(1) For purposes of this subsection, the following  
8 terms shall mean:

9 "a. Affiliated Group. (i) One or more chains of  
10 corporations or limited liability entities connected through  
11 the ownership of stock or ownership interests with a common  
12 parent which is a corporation or limited liability entity, but  
13 only if the common parent owns directly stock or ownership  
14 interests meeting the requirements of item (ii) in at least  
15 one of the other corporations or limited liability entities,  
16 and only if stock or ownership interests meeting the  
17 requirements of item (ii) in each of the corporations or  
18 limited liability entities (except the common parent) is owned  
19 directly by one or more of the other corporations or limited  
20 liability entities. (ii) The ownership of stock or ownership  
21 interests of any corporation or limited liability entity meets  
22 the requirements of this paragraph if it possesses at least 80  
23 percent of the total voting power or capital and profits  
24 interest of the corporation or limited liability entity.

25 "b. Financial Institution. The meaning given in  
26 Section 40-16-1.



1            "c. Financial Institution Group. All taxpayers in an  
2 affiliated group where at least one member of the group is a  
3 financial institution that is subject to the provisions of  
4 Chapter 16. In the event a financial institution taxpayer is  
5 not a member of an affiliated group, that financial  
6 institution shall be treated as a financial institution group.

7            "(2) To the extent that the members of a financial  
8 institution group have different taxable years, the group  
9 shall be deemed, for purposes of the business privilege tax  
10 ~~and corporate shares tax~~ levied by Articles ~~2 and 3~~, to have  
11 a calendar taxable year.

12            "(3) Taxpayers who are members of a financial  
13 institution group shall complete their ~~corporate shares tax~~  
14 ~~and~~ business privilege tax returns without regard to this  
15 subsection. Those taxpayers shall submit their returns  
16 together, and the minimum tax amount provided in subdivision  
17 (5) shall apply to the aggregate business privilege tax ~~and~~  
18 ~~corporate shares tax~~ liability of the group. To the extent  
19 that the minimum amount provided in subdivision (5) applies to  
20 determine the liability of the group, each taxpayer which is a  
21 member of the group shall be liable for that portion of the  
22 group liability which is equal to the amount multiplied by the  
23 ratio of the taxpayer's liability without regard to this  
24 subsection over the liability of the group without regard to  
25 this subsection. Upon the annual election of the common  
26 parent, a financial institution group may file a single  
27 return, executed by the common parent of that financial

1 institution group. The return shall be completed as if the  
2 financial institution group were a single taxpayer. Each  
3 member of the financial institution group shall be jointly and  
4 severally liable for the group's business privilege tax  
5 liability and ~~corporate shares tax liabilities~~.

6 " (4) ~~For the taxable year beginning January 1, 2000,~~  
7 ~~the tax returns of all members of a financial institution~~  
8 ~~group shall be due July 10, 2000. For taxable years beginning~~  
9 ~~after December 31, 2000, the tax returns for all members of a~~  
10 ~~financial institution group shall be due March 15 of the~~  
11 ~~taxable year. The tax returns for all members of a financial~~  
12 ~~institution group shall be due no later than three and one~~  
13 ~~half months after the beginning of the taxable year.~~

14 Extensions for filing these returns shall not be granted for  
15 more than five months. ~~beyond September 15 of the taxable~~  
16 ~~year. For the return due July 10, 2000, any corporate shares~~  
17 ~~taxes and business privilege taxes accrued and paid by any~~  
18 ~~member of the financial institution group before July 10,~~  
19 ~~2000, shall be applied against the minimum tax amount provided~~  
20 ~~in subdivision (5).~~

21 " (5) For taxable years beginning on or after January  
22 1, ~~2000~~ 2016, the minimum aggregate business privilege ~~and~~  
23 ~~corporate shares taxes~~ levied by Articles 2 ~~and 3~~ on all  
24 members of a financial institution group shall be:

25 "a. For financial institutions with total deposits  
26 inside Alabama of less than one billion dollars  
27 (\$1,000,000,000) within that financial institution group, as

1 reported to the FDIC, OTS, or the NCUSIF as of June 30 of the  
2 immediately preceding taxable year, the tax rate shall be  
3 ~~\$.125~~ \$.135 per one thousand dollars (\$1,000) of such  
4 deposits. For deposit rate purposes for all future periods,  
5 the deposits shall in no event be less than the deposits  
6 listed as of June 30, 1999.

7 "b. For financial institutions with total deposits  
8 inside Alabama of one billion dollars (\$1,000,000,000) or  
9 greater up to and including six billion dollars  
10 (\$6,000,000,000) within that financial institution group, as  
11 reported to the FDIC, OTS, or the NCUSIF as of June 30 of the  
12 immediately preceding taxable year, the tax rate shall be ~~\$.17~~  
13 \$.17167 per one thousand dollars (\$1,000) of such deposits.  
14 For deposit rate purposes for all future periods, the deposits  
15 shall in no event be less than the deposits listed as of June  
16 30, 1999.

17 "c. For financial institutions with total deposits  
18 inside Alabama greater than six billion dollars  
19 (\$6,000,000,000) within that financial institution group, as  
20 reported to the FDIC, OTS, or the NCUSIF as of June 30 of the  
21 immediately preceding taxable year, the tax rate shall be  
22 ~~\$.225~~ \$.22575 per one thousand dollars (\$1,000) of such  
23 deposits. For deposit rate purposes for all future periods,  
24 the deposits shall in no event be less than the deposits  
25 listed as of June 30, 1999.

26 "d. Provided, however, that in the case of a  
27 financial institution group that, as of June 30, 1999, (i) had

1 total deposits of less than one billion dollars  
2 (\$1,000,000,000) and (ii) derived at least a majority of its  
3 deposits, as reported to FDIC, OTS, or NCUSIF, that were  
4 booked to one or more branches or offices located within  
5 Alabama from account holders whose addresses of record on the  
6 books of the financial institution group were outside the  
7 State of Alabama, the phrase "total deposits in Alabama," for  
8 purposes of calculating the minimum aggregate business  
9 privilege ~~and shares tax~~ levied by Articles ~~2 and 3~~ for all  
10 taxable years beginning on and after January 1, 2000, shall  
11 only include deposits of account holders whose addresses of  
12 record on the books of the financial institution group are  
13 inside the State of Alabama.

14 "e. In the event a financial institution group sells  
15 Alabama deposits to another financial institution group that  
16 reports those deposits in Alabama for purposes of Act  
17 2000-705, those deposits shall not be taxed more than once  
18 pursuant to the provisions of Act 2000-705 in the same taxable  
19 year. The liability for such taxes shall be the responsibility  
20 of the purchaser, and the tax base for the selling group shall  
21 be adjusted accordingly.

22 "f. In the event an existing financial institution  
23 group reports deposits in any year less than 96.5 percent of  
24 the deposits reported as of June 30, 1999, the alternative  
25 minimum tax shall be based on the deposits reported as of June  
26 30, 1999. In the event an existing financial institution group  
27 reports deposits in any year more than 96.5 percent of the

1 deposits reported as of June 30, 1999, the alternative minimum  
2 tax shall be based on the deposits reported for that taxable  
3 year. For financial institutions coming into existence after  
4 June 30, 1999, the deposits upon which the alternative minimum  
5 tax is based shall not be less than the deposits reported the  
6 first full year that financial institution reported deposits  
7 to the FDIC, OTS, or NCUSIF.

8 "§40-14A-23.

9 (a) Net worth of corporation. The net worth of a  
10 corporation shall equal the aggregate net amount of the  
11 following items determined as of the first day of the  
12 corporation's taxable year and adjusted as required in this  
13 article:

14 (1) In the case of a corporation, the sum of the  
15 following:

16 a. The issued capital stock and any additional  
17 paid-in capital, without reduction for treasury stock; and

18 b. Retained earnings, but not less than zero, which  
19 shall include any amounts designated for the payment of  
20 dividends until the amounts are definitely and irrevocably  
21 placed to the credit of stockholders subject to withdrawal on  
22 demand, and

23 (2) In the case of an entity taxed as a corporation  
24 under this article that does not issue stock, the difference  
25 between the book value of the entity's assets and liabilities,  
26 but not less than zero.

1           (b) Net worth of limited liability entities. The net  
2 worth of a limited liability entity shall be an amount equal  
3 to the sum, but not less than zero, of the capital accounts of  
4 the owners of the limited liability entity determined as of  
5 the first day of the taxable year of the entity and as further  
6 adjusted pursuant to this article.

7           (c) All the items that would enter into determining  
8 a disregarded entity's net worth shall be instead taken into  
9 account in determining the net worth of its owner, and the net  
10 worth of the disregarded entity shall be zero. Provided,  
11 however, that if the owner of the disregarded entity is an  
12 individual, general partnership, or other entity not subject  
13 to this tax, the net worth of the disregarded entity shall be  
14 equal to the assets minus the liabilities of the disregarded  
15 entity.

16           (d) Net worth of business trusts classified as  
17 corporations. The net worth of a business trust classified as  
18 an association taxable as a corporation for federal income tax  
19 purposes shall be equal to the book value of the assets minus  
20 the liabilities of the business trust but not less than zero.

21           (e) Additions to net worth.

22           (1) Additions to net worth may be positive amounts  
23 only.

24           (2) Net worth shall include related-party debt in  
25 certain situations as follows:

26           a. If a taxpayer is indebted to related parties in  
27 an amount that exceeds the net worth of the taxpayer

1 determined under subsections (a), (b), or (c), then the amount  
2 of the excess shall be included in the net worth of the  
3 taxpayer.

4 b. For purposes of this subsection, the terms  
5 "debt," "indebted," and "indebtedness" shall not include trade  
6 debt, accounts payable, or deposit liabilities to related  
7 parties that are doing business in Alabama.

8 (f) There shall be added to net worth, as determined  
9 above, compensation and distributions paid or accrued in  
10 certain situations.

11 (1) CORPORATIONS OTHER THAN ALABAMA S CORPORATIONS.

12 a. For a C corporation, net worth shall include  
13 compensation or similar amounts paid or accrued to a direct or  
14 indirect shareholder if such shareholder owns at least a 5%  
15 capital, profits, or voting interest in such corporation, to  
16 the extent such amount exceeds \$500,000 with respect to each  
17 shareholder in the determination period. The rules of 26  
18 U.S.C. §267(c) shall apply in determining whether an  
19 individual is a direct or indirect shareholder who owns at  
20 least a 5% capital, profits, or voting interest in such  
21 corporation.

22 b. All compensation or similar amounts paid or  
23 accrued to shareholders described in paragraph a. shall be  
24 aggregated if such shareholders are members of the same family  
25 as described in 26 U.S.C. §267(b)(1), unless the shareholders  
26 are 21 years of age or older and materially participate in the  
27 business.

1           c. Compensation or similar amounts paid or accrued  
2 to a person not described in paragraphs a. and b. shall be  
3 included in such aggregate amount if such person is related to  
4 any of the shareholders described in paragraphs a. and b., in  
5 accordance with the rules of 26 U.S.C. §267(b)(1), unless the  
6 person is 21 years of age or older and materially participates  
7 in the business.

8           (2) ALABAMA S CORPORATIONS.

9           a. For an Alabama S corporation, add to the above  
10 net worth the sum of compensation, distributions or similar  
11 amounts paid or accrued to a direct or indirect shareholder if  
12 that shareholder owns at least a 5% capital, profits, or  
13 voting interest in the corporation, to the extent such amounts  
14 exceed \$500,000 with respect to each shareholder in the  
15 determination period. The rules of 26 U.S.C. §267(c) shall  
16 apply in determining whether an individual is a direct or  
17 indirect shareholder who owns at least a 5% capital, profits,  
18 or voting interest in the corporation.

19           b. All compensation, distributions, or similar  
20 amounts paid or accrued to shareholders described in paragraph  
21 a. shall be aggregated if such shareholders are members of the  
22 same family as described in 26 U.S.C. §267(b)(1), unless the  
23 shareholders are 21 years of age or older and materially  
24 participate in the business.

25           c. Compensation or other similar amounts and  
26 distributions paid or accrued to a person not described in  
27 paragraphs a. and b. shall be included in such aggregate



1 amount if such person is related to any of the shareholders  
2 described in paragraphs a. and b., in accordance with the  
3 rules of 26 U. S. C. §267(b)(1), unless the person is 21 years  
4 of age or older and materially participates in the business.

5 (3) LIMITED LIABILITY ENTITIES.

6 a. For a limited liability entity, net worth shall  
7 include compensation, distributions or similar amounts paid or  
8 accrued to each direct or indirect partner or member to the  
9 extent the amounts exceed \$500,000 with respect to each  
10 partner or member in the determination period. In determining  
11 whether an individual is an indirect partner or member, the  
12 principles of 26 U.S.C. §267(c) shall apply.

13 b. All compensation, distributions, or similar  
14 amounts paid or accrued to partners or members described in  
15 paragraph a. shall be aggregated if such partners or members  
16 are members of the same family as described in 26 U.S.C.  
17 §267(b)(1), unless the partners or members are 21 years of age  
18 or older and materially participate in the business.

19 c. Compensation, distributions, or other similar  
20 amounts paid or accrued to a person not described in  
21 paragraphs a. and b. shall be included in such aggregate  
22 amount if such person is related to any of the partners or  
23 members described in the paragraphs a. and b., in accordance  
24 with the rules of 26 U.S.C. §267(b)(1), unless the person is  
25 21 years of age or older and materially participates in the  
26 business.

27 (4) DISREGARDED ENTITIES.

1           a. For a disregarded entity, net worth shall include  
2 compensation, distributions, or similar amounts paid or  
3 accrued to a direct or indirect owner to the extent the amount  
4 exceeds \$500,000 in the determination period. In determining  
5 whether an individual is an indirect owner, the principles of  
6 26 U.S.C. §267(c) shall apply.

7           b. All compensation, distributions, or similar  
8 amounts paid or accrued to an owner or indirect owners  
9 described in paragraph a. shall be aggregated if the owner or  
10 indirect owners are members of the same family as described in  
11 26 U.S.C. §267(b)(1), unless the owner or indirect owners are  
12 21 years of age or older and materially participate in the  
13 business.

14           c. Compensation, distributions, or similar amounts  
15 paid or accrued to persons not described in paragraphs a. and  
16 b. shall be included in the aggregate amount if the person is  
17 related to any of the owners described in paragraphs a. and  
18 b., in accordance with the rules of 26 U.S.C. §267(b)(1),  
19 unless the person is 21 years of age or older and materially  
20 participates in the business.

21           (g) From the sum of the items and additions to net  
22 worth determined in subsections (a) through (f), the following  
23 items shall be subtracted:

24           (1) The book value of the investment by the taxpayer  
25 in the equity of any other taxpayer (including any excess  
26 related-party debt described in paragraph (e)(2)a. that is  
27 included in the net worth of the taxpayer) that is doing

1 business in Alabama. The subtraction shall not include the  
2 book value of any security held by a dealer primarily for sale  
3 to customers in the ordinary course of its trade or business  
4 pursuant to 26 U.S.C. §1236.

5 (2) In the case of financial institutions, the  
6 investment by the taxpayer in the equity (including any excess  
7 related-party debt added to net worth pursuant to paragraph  
8 (e)(2)a.) of any other corporation or limited liability entity  
9 that is not doing business in Alabama if the taxpayer owns  
10 more than 50 percent of the outstanding capital stock of the  
11 other corporation or more than 50 percent of the capital and  
12 profits interest of the limited liability entity, unless the  
13 other corporation or limited liability entity is dormant and  
14 not regularly engaged in one or more business activities. A  
15 corporation shall not be deemed dormant and shall be  
16 considered regularly engaged in one or more business  
17 activities if the corporation owns, directly or indirectly,  
18 more than 50 percent of the outstanding capital stock of  
19 another corporation regularly engaged in one or more business  
20 activities. A corporation shall be deemed to directly or  
21 indirectly own more than 50 percent of another corporation if  
22 both corporations would be part of a controlled group of  
23 corporations as defined in 26 U.S.C. §1563 if a 50 percent  
24 ownership requirement were applied in lieu of the 80 percent  
25 ownership requirement in 26 U.S.C. §1563.

26 (3) The unamortized portion of goodwill and core  
27 deposit intangibles appearing on the taxpayer's balance sheet

1 by reason of a direct purchase of another corporation or  
2 limited liability entity.

3 (4) The unamortized balance of any amount that the  
4 taxpayer properly elected, pursuant to Pronouncement 106 of  
5 the Financial Accounting Standards Board or any equivalent  
6 successor authority, to amortize over a period of years rather  
7 than immediately charging that amount to earnings.

8 (5) In the case of a financial institution, the  
9 amount of net worth as adjusted pursuant to this section that  
10 exceeds six percent of its assets.

11 (h) Net worth of Alabama financial institution  
12 groups with Alabama deposits.

13 (1) For purposes of calculating the business  
14 privilege tax of a financial institution group, as required by  
15 Section 40-14A-22(a), the net worth of the financial  
16 institution group with Alabama deposits shall be deemed to be  
17 zero.

18 (2) For purposes of allocating the minimum business  
19 privilege tax calculated pursuant to Section 40-14A-22(f)(5)  
20 for a financial institution group to the members of the group  
21 when required by Section 40-14A-22(f)(3), the actual net worth  
22 of each member of the financial institution group with Alabama  
23 deposits shall be used in calculating the base for allocating  
24 the tax among the group members.

25 "§40-14A-25.

26 "(a) Every taxpayer shall file a privilege tax  
27 return, which shall include the public record disclosures

1 required by Section 10-2B-16.22, with the department for every  
2 taxable year for which it is subject to the tax levied by this  
3 article. A disregarded entity that is owned by an individual,  
4 general partnership, or other entity not subject to the tax  
5 levied by this article shall file a return and pay the tax  
6 levied on it by this article. Except as provided in Section  
7 40-14A-22(f) (4), ~~the return is due not later than March 15 of~~  
8 ~~the taxable year for all taxpayers except limited liability~~  
9 ~~entities for which the due date of the return shall be April~~  
10 ~~15 of the taxable year, or, in the case of a taxpayer's~~  
11 ~~initial return, 30 days after the taxpayer comes into~~  
12 ~~existence, qualifies or registers to do business, or commences~~  
13 ~~doing business in Alabama as the case may be. For all taxable~~  
14 ~~years beginning after December 31, 2000,~~ a corporation shall  
15 file the return required by this section not later than two  
16 and one-half months after the beginning of the corporation's  
17 taxable year; a limited liability entity shall file the return  
18 required by this section not later than three and one-half  
19 months after the beginning of the limited liability entity's  
20 taxable year; and a disregarded entity that is required to  
21 file a return by this section shall file the return not later  
22 than the time its owner is required to file its return. ~~If a~~  
23 ~~taxpayer is required to change its taxable year pursuant to~~  
24 ~~the previous sentence, then it shall file a return for the~~  
25 ~~short taxable year beginning January 1, 2001, and ending on~~  
26 ~~the day before the beginning of its new taxable year, and the~~  
27 ~~return shall be filed not later than two and one-half months,~~

1 ~~if a corporation, and three and one-half months, if a limited~~  
2 ~~liability entity, after the beginning of its new taxable year.~~  
3 In cases where receivers, trustees in bankruptcy, or assignees  
4 are operating the property or business of taxpayers, those  
5 receivers, trustees, or assignees shall file returns for the  
6 taxpayers in the same manner and form as the taxpayers are  
7 required to file returns. Any tax due on the basis of returns  
8 filed by receivers, trustees, or assignees shall be collected  
9 in the same manner as if collected from the taxpayers for  
10 whose business or property they have custody and control. The  
11 department may grant a reasonable extension of time for filing  
12 returns under rules and regulations prescribed by the  
13 department. No extension shall be for more than six months.

14 "(b) The tax provided in this article shall be  
15 reported on forms and in the manner as prescribed by the  
16 department. The failure to receive a form from the department  
17 shall not relieve a taxpayer from liability for any tax,  
18 penalty, or interest otherwise due. The tax due, as reported,  
19 shall constitute an admitted liability for that amount. The  
20 department may compute and assess additional tax, penalty, and  
21 interest against a taxpayer as provided in Chapter 2A.  
22 Interest on overpayments of business privilege tax will be  
23 computed and paid in the manner provided in Section  
24 40-1-44(b)(1)b.

25 "(c) A corporation that is a member of an Alabama  
26 affiliated group that has elected to file a consolidated  
27 return pursuant to Section 40-18-39 or Section 40-16-3(b), if

1 it is subject to the tax imposed by this article, shall file a  
2 separate return reporting and paying tax on its net worth  
3 without regard to other members of the affiliated group."

4 Section 2. All laws or parts of laws which conflict  
5 with this act are hereby repealed. Section 12 of Act 99-665,  
6 as amended by Act 2000-705, is not repealed by this act.

7 Section 3. The provisions of this act are severable.  
8 If any part of this act is declared invalid or  
9 unconstitutional, that declaration shall not affect the part  
10 that remains.

11 Section 4. This act shall become effective for all  
12 Business Privilege Tax returns due after December 31, 2015,  
13 following its passage and approval by the Governor or upon its  
14 otherwise becoming law.