

1 HB108
2 155819-4
3 By Representatives Wren and Hubbard (M)
4 RFD: Commerce and Small Business
5 First Read: 14-JAN-14
6 PFD: 01/10/2014

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2 ENROLLED, An Act,

3 Relating to business personal property tax; to
4 provide an optional non-itemized short form for the filing of
5 a business personal property tax return for those taxpayers
6 whose total original acquisition cost of all taxable tangible
7 business personal property assets is equal to or less than
8 \$10,000 each year; to provide that the Department of Revenue
9 shall design the short form and filing instructions to be used
10 when filing the short form; to require the Department of
11 Revenue to develop and make available an online electronic
12 filing system which allows any taxpaying entity to
13 electronically file any annual business personal property tax
14 return that is required of the taxpaying entity by any local
15 county assessing official or applicable agency; to provide
16 that there shall be no charge to either a taxpayer or a local
17 taxing jurisdiction to access or utilize the electronic filing
18 system created hereunder; to establish an advisory committee
19 to oversee the development and implementation of the online
20 filing system created under this act; and to allow the
21 Department of Revenue to promulgate rules to implement the
22 provisions of this bill.

23 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

24 Section 1. (a) Prior to October 1, 2014, the
25 Department of Revenue shall design a non-itemized business

1 personal property tax return short form "short form tax
2 return" which, at the taxpayer's option, may be utilized for
3 reporting total taxable tangible business personal property
4 assets with original acquisition costs equal to or less than
5 ten thousand dollars (\$10,000) under the provisions of this
6 act and any rules promulgated by the department related
7 thereto. Any taxpaying entity utilizing the short form return
8 agrees to a business personal property tax liability for that
9 applicable tax year that is based upon taxable tangible
10 business personal property assets valued at ten thousand
11 dollars (\$10,000), and that the submission of such short form
12 return by the taxpayer is a declaration to the county
13 assessing official or other applicable agency that the
14 property is to be valued at ten thousand dollars (\$10,000) for
15 all taxable tangible business personal property assets.

16 (b) Effective October 1, 2014, and subject to the
17 provisions of this act, any taxpaying entity required to file
18 a business personal property tax return with a county
19 assessing official or other applicable agency may file the
20 short form tax return if: (1) the taxpayer has previously
21 filed with the county assessing official or other applicable
22 agency an itemized business personal property tax return in
23 which the total original acquisition cost of all the taxpaying
24 entity's taxable tangible business personal property assets
25 resulted in a total amount equal to or less than ten thousand

1 dollars (\$10,000); and (2) the taxpayer's total original
2 acquisition cost of all taxable tangible business personal
3 property assets for the current tax year results in the
4 taxpaying entity's total amount of taxable tangible business
5 personal property assets being equal to or less than ten
6 thousand dollars (\$10,000). The tax liability for any taxpayer
7 filing the short form tax return shall be calculated by the
8 county assessing official or other applicable agency based
9 upon a value of ten thousand dollars (\$10,000), and otherwise
10 in accordance with subsection (a).

11 (c) Once a taxpaying entity has filed a business
12 personal property tax return which includes a detailed
13 itemized listing of all taxable tangible business personal
14 property assets with the county assessing official or other
15 applicable agency as required in subsection (b)(1), the
16 taxpayer may file the short form tax return in each
17 consecutive year that the total original acquisition cost of
18 all taxable tangible business personal property assets remains
19 equal to or less than ten thousand dollars (\$10,000).

20 (d) In the event the total original acquisition cost
21 of all the taxpayer's taxable tangible business personal
22 property assets exceeds ten thousand dollars (\$10,000), the
23 taxpayer shall be required to file a business personal
24 property tax return which includes an itemized listing of all
25 taxable tangible business personal property assets with the

1 county assessing official or other applicable agency as
2 otherwise required by law and shall pay taxes calculated based
3 upon the assets itemized in the tax return.

4 (e) All short form tax returns shall be subject to
5 audit by the appropriate county assessing official or other
6 applicable agency, in the discretion of such official or
7 agency. Such an audit may include the requirement that the
8 taxpaying entity provide an itemized listing of all taxable
9 tangible business personal property. Additionally, any
10 taxpayer who knowingly submits a false or incorrect short form
11 tax return shall be subject to penalties equaling 50 percent
12 of any additional taxes owed. Further, any relevant and
13 otherwise applicable state or local laws providing for
14 penalties, fines, or fees for violations of tax return filings
15 shall have full effect under the tax returns applicable to
16 this act and shall not be limited or abrogated by any
17 provision hereunder.

18 Section 2. (a) No later than September 30, 2016, the
19 Department of Revenue shall develop, maintain, and administer
20 an online business personal property tax filing system that
21 allows any taxpayer required to file a business personal
22 property tax return with any county assessing official or
23 applicable agency the ability and option to electronically
24 file the return through the electronic filing system which
25 will be submitted to the county assessing official or

1 applicable agency where the tax return is required to be
2 filed. The system shall be optional for any taxpayer and shall
3 be known as the Optional Personal Property Assessment Link or
4 OPPAL. All Alabama taxing jurisdictions shall allow taxpayers
5 to utilize and access the OPPAL system for filing any business
6 personal property return. The online system shall be available
7 for use in tax periods beginning on and after October 1, 2016,
8 provided the taxpayer complies with this act and any rules
9 promulgated by the Department of Revenue for the
10 administration and use of the system. The OPPAL system shall
11 be utilized only for the filing of business personal property
12 tax returns and shall not provide for the administration or
13 enforcement of business personal property taxes. The OPPAL
14 system shall allow a third party authorized by the taxpayer to
15 file a business personal property tax return on behalf of the
16 taxpayer utilizing a standardized web interface as prescribed
17 by the department.

18 (b) There shall be no charge to either the taxpayer
19 or a local taxing jurisdiction for the utilization or access
20 of the OPPAL system.

21 (c) The system developed and implemented pursuant to
22 subsection (a) shall have the capability to allow ~~a~~ any
23 applicable taxpayer to electronically file a business personal
24 property tax return with the county assessing official or
25 other applicable agency in each taxing jurisdiction in which

1 the taxpayer is required to file a business personal property
2 tax return. The electronically filed return shall contain all
3 information included in the standard paper tax return and all
4 information included in the electronically filed return shall
5 be electronically available to each appropriate local taxing
6 jurisdiction at the time filed by the taxpayer.

7 Section 3. (a) No taxpayer shall be required to use
8 the OPPAL system for filing business personal property tax
9 returns; provided, however, that any taxpayer utilizing the
10 system shall comply with this act and any rules promulgated by
11 the Department of Revenue for the administration of this act.
12 Additionally, any taxpayer utilizing the system shall comply
13 with any rules of the local taxing jurisdiction regarding
14 payment, administration, and enforcement of the business
15 personal property tax law.

16 (b) All penalties and interest assessed according to
17 state law for failure to properly and timely file a business
18 personal property tax return or for payment of such taxes
19 shall apply to filings made through the OPPAL system.

20 Section 4. (a) (1) To ensure that local taxing
21 jurisdictions have meaningful input into the development and
22 operation of OPPAL, a state and local advisory committee is
23 hereby established to review the design and operation of the
24 system and to make recommendations regarding the system
25 requirements and functionality to the Commissioner of Revenue.

1 (2) The advisory committee shall consist of the
2 following individuals:

3 a. Two local tax officials appointed by the
4 Association of Alabama Tax Administrators.

5 b. Two local tax officials appointed by the Alabama
6 Association of Assessing Officials.

7 c. One county commissioner appointed by the
8 Association of County Commissioners of Alabama.

9 d. One probate judge who serves as chair of the
10 county commission appointed by the Alabama Probate Judges
11 Association.

12 e. One representative of the business community,
13 appointed by the Business Council of Alabama.

14 f. One representative of the retail community
15 appointed by the Alabama Retailers Association.

16 g. One representative of the business community,
17 appointed by the Alabama Chapter of the National Federation of
18 Independent Businesses.

19 h. One representative of the Alabama Department of
20 Revenue, appointed by the Revenue Commissioner, who shall
21 serve as chair of the advisory committee.

22 (3) The advisory committee members shall receive no
23 compensation or reimbursement of expenses from the state for
24 serving on the advisory committee.

1 (b) The advisory committee shall meet with the
2 Commissioner of Revenue and other employees of the Department
3 of Revenue as the commissioner deems appropriate. The initial
4 meeting of the advisory committee shall be at a time and place
5 to be determined by the chair of the advisory committee and
6 shall be held no later than September 30, 2014. At the initial
7 meeting, the advisory committee shall organize itself and
8 shall determine the timing and frequency of subsequent
9 meetings.

10 (c) The role of the advisory committee shall be
11 limited to providing input and recommendations on the
12 development and functionality of the OPPAL system with
13 relation to the filing of business personal property tax
14 returns utilizing the OPPAL system. The advisory committee
15 shall make no review of the Department of Revenue's
16 administration of property taxes or any other department
17 matter beyond the OPPAL system.

18 (d) If the Revenue Commissioner fails to act on
19 recommendations made by the advisory committee regarding
20 OPPAL, the advisory committee, by majority vote, may appeal to
21 the Legislative Council for a determination on whether the
22 committee's recommendations shall be implemented. The
23 determination of the Legislative Council shall be final.

24 Section 5. ~~This act shall not apply to any county in~~
25 ~~which the Legislature has prior to the effective date of this~~

1 ~~act provided by local law for the electronic filing of~~
 2 ~~business personal property tax returns under certain~~
 3 ~~conditions in the office of the county revenue commissioner,~~
 4 ~~county property tax commissioner, or other similar county~~
 5 ~~officer.~~

6 Notwithstanding any other provision of this act, no
 7 county property tax commissioner, county revenue commissioner,
 8 or similar county tax assessing or tax collecting official
 9 shall be prevented from providing an electronic system for the
 10 filing of any applicable business personal property tax
 11 returns through a system other than and as an alternative to
 12 the OPPAL system, nor shall any county property tax
 13 commissioner, county revenue commissioner, or similar county
 14 tax assessing or tax collecting official be prevented from
 15 enforcing mandatory electronic filing of a business personal
 16 property tax return pursuant to any local act of the
 17 Legislature.

18 Section 6. The provisions of this act are severable.
 19 If any part of this act is declared invalid or
 20 unconstitutional, that declaration shall not affect the part
 21 which remains.

22 Section 7. All laws or parts of laws which conflict
 23 with this act are repealed.

1 Section 8. This act shall become effective on the
2 first day of the third month following its passage and
3 approval by the Governor, or its otherwise becoming law.

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Speaker of the House of Representatives

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in
and was passed by the House 16-JAN-14, as amended.

Jeff Woodard
Clerk

Senate	<hr/>	03-APR-14	Amended and Passed
House	<hr/>	03-APR-14	Concurred in Sen- ate Amendment