

1 HB276
2 148683-2
3 By Representatives Ison, Greer, Davis, Sessions, Henry,
4 Collins, Johnson (K), Carns, Gaston, Black, Ford, Bracy,
5 Poole, Buttram, Williams (J), Buskey, Hammon, Moore (M),
6 Robinson (O), Scott, Newton (C), Shiver, Newton (D), Rogers
7 and McClendon
8 RFD: State Government
9 First Read: 14-FEB-13

1 ENGROSSED

2
3
4 A BILL
5 TO BE ENTITLED
6 AN ACT
7

8 To add Section 40-14A-44 to the Code of Alabama
9 1975, to exempt dormant entities from the business privilege
10 tax; to provide a process to identify dormant entities, and to
11 provide an amnesty program for certain taxpayers.

12 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

13 Section 1. Section 40-14A-44 is added to the Code of
14 Alabama 1975, to read as follows:

15 §40-14A-44.

16 (a) The taxes levied by this chapter shall not apply
17 to any legal entity which becomes dormant, even if the entity
18 fails to dissolve or to withdraw its qualification to do
19 business with the Secretary of State. An entity is dormant for
20 purposes of this section if for two consecutive years prior to
21 the taxable year the entity has not owned property, produced
22 income, or carried out any business activity or function of
23 any type.

24 (b) Determination of non-operating status. When the
25 Department of Revenue has identified a taxpayer subject to the
26 taxes levied by this chapter as non-operating and thus exempt
27 from the taxes herein, the department shall notify the

1 Secretary of State of the taxpayer's designation as a
2 non-operating entity. Upon notification of a taxpayer's
3 non-operating status, the Secretary of State shall update its
4 records to reflect this non-operating status for purposes of
5 this chapter.

6 (c) Amnesty program. An amnesty program is hereby
7 established for taxpayers subject to the taxes levied by this
8 chapter who have not filed the required tax returns and
9 remitted their associated tax liability. For purposes of this
10 amnesty program, the department shall waive all penalties
11 associated with the filing of the delinquent returns and
12 reduce its look-back period to two tax years for entities that
13 come forward within the amnesty period. Furthermore, if the
14 taxpayer can satisfactorily document its dissolution, the
15 taxpayer's liability under this amnesty program will be
16 reduced to \$150. The amnesty program within this subsection
17 shall commence on October 1, 2013, and end on December 31,
18 2013.

19 Section 2. This act shall become effective
20 immediately following its passage and approval by the
21 Governor, or its otherwise becoming law.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18

House of Representatives

Read for the first time and re-
ferred to the House of Representa-
tives committee on State Government
..... 14-FEB-13

Read for the second time and placed
on the calendar..... 21-FEB-13

Read for the third time and passed
as amended..... 24-APR-13

Yeas 97, Nays 0, Abstains 0

Jeff Woodard
Clerk