

1 HB235  
2 136454-1  
3 By Representative Newton (D) (N & P)  
4 RFD: Jefferson County Legislation  
5 First Read: 08-FEB-12

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9 A BILL  
10 TO BE ENTITLED  
11 AN ACT  
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13 Relating to Jefferson County; to authorize the levy  
14 of occupational taxes in Jefferson County except upon those  
15 natural persons otherwise required by law to pay tax pursuant  
16 to certain provisions of Title 40 of the Code of Alabama 1975  
17 and to permit the levy of such occupational tax on natural  
18 persons required to pay a tax pursuant to certain professional  
19 licensing sections of Title 40 of the Code of Alabama 1975, if  
20 certain conditions are met; to provide for the manner and  
21 method of levy and the maximum rates at which such taxes may  
22 be levied on the gross receipts of natural persons subject to  
23 the tax so authorized; to provide for the payment of  
24 penalties, interest and costs of collection in respect of  
25 delinquent or late payments of the taxes; to provide for the  
26 distribution to the general fund of the County of the revenues  
27 received from the taxes; to provide that if any provision of

1 the act shall be finally determined invalid by a court of  
2 competent jurisdiction the remainder thereof shall remain  
3 effective; and to provide for an effective date.

4 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

5 Section 1. This act shall apply only in Jefferson  
6 County.

7 Section 2. As used in this act, the following words  
8 and terms shall have the meanings ascribed to them:

9 (1) BUSINESS ACTIVITY. The carrying on or practice  
10 of any business, vocation, occupation, work, calling, or  
11 profession.

12 (2) COUNTY. Jefferson County.

13 (3) GOVERNING BODY. The Jefferson County Commission.

14 (4) JEFFERSON COUNTY BUSINESS OCCUPATIONAL TAX. The  
15 tax authorized to be levied pursuant to the provisions of  
16 Section 3 hereof.

17 (5) NATURAL PERSON. Any individual human being.

18 Section 3. The Governing Body of the County is  
19 hereby authorized to levy, impose and collect a license or  
20 privilege tax on those natural persons engaged in Business  
21 Activity in the County (a) who are not required to pay a  
22 license or privilege tax to either the State of Alabama or the  
23 County pursuant to the provisions of any of Sections 40-16-4,  
24 40-21-50, 40-21-52, 40-21-53, 40-21-56 or 40-21-60 of the Code  
25 of Alabama 1975, as amended, or pursuant to the professional  
26 licensing sections of Chapter 12 of Title 40, Code of Alabama  
27 1975, currently sections 43, 48, 49, 71, 92, 99, 126, 135,

1 136, 155 and 178 thereof, provided that natural persons paying  
2 a license or privilege tax to the State or the County under  
3 such provisions or professional licensing sections shall not  
4 be excepted from the levy of the license or privilege tax  
5 authorized herein if and to the extent such provisions or  
6 professional licensing sections are hereafter amended or  
7 effectively modified by the Legislature in such manner as to  
8 remove those statutory restrictions that may exist on the  
9 ability of a county to levy, impose, and collect a license or  
10 privilege tax on such natural persons, and (b) whose gross  
11 receipts derived from employment are subject to withholding of  
12 federal or state employment or medicare taxes in respect of  
13 compensation derived by them from engaging in Business  
14 Activity in the County, upon the gross receipts so derived by  
15 such natural persons, measured by such gross receipts, at such  
16 rate as shall be determined from time to time by the Governing  
17 Body but not exceeding 45/100ths of one percent (.0045) of  
18 such receipts less amounts withheld for payment of health  
19 insurance premiums and for retirement plan contributions, said  
20 tax to be known as the Jefferson County Occupational Business  
21 Tax. The Governing Body is authorized to provide by ordinance  
22 for collection of the Jefferson County Occupational Business  
23 Tax from the employers of those natural persons subject to the  
24 tax and for the imposition on such employers of penalties and  
25 interest on delinquent payments of the tax due and unpaid and  
26 for costs of collection thereof. Provided, however, if a  
27 natural person otherwise subject to the tax herein authorized

1 to be levied is an owner, proprietor, or stockholder in a  
2 business entity the income (or any portion thereof) of which  
3 is, for federal income tax purposes passed through to such  
4 person and such person would therefore be subject to federal  
5 income tax thereon and if the gross receipts of such entity  
6 are used in measuring the amount of an entity business license  
7 tax levied by the County, the gross receipts of such person  
8 from the Business Activity of such entity shall not be subject  
9 to the tax authorized to be levied by this section.

10 Section 4. The taxes hereby authorized to be levied  
11 shall be paid to that officer or employee of the County  
12 charged by the Governing Body or otherwise with the duty of  
13 collecting license or privilege taxes payable to the County,  
14 and the proceeds thereof, net of any costs of collection,  
15 shall be deposited in the County's General Fund for use and  
16 appropriation therefrom by the Governing Body for the lawful  
17 public purposes and objects of expenditure for which such fund  
18 has been established.

19 Section 5. In addition to such other legal authority  
20 as it may otherwise have with respect thereto, the Governing  
21 Body is hereby authorized to adopt and promulgate or provide  
22 for the adoption and promulgation of such rules and  
23 regulations consistent herewith and with any ordinance  
24 providing for the levy and collection of the tax herein  
25 authorized as shall be necessary and appropriate in the  
26 circumstances to the efficient administration thereof.

1                   Section 6. All laws or parts of laws which conflict  
2 with this act are repealed.

3                   Section 7. If any provision of this Act shall be  
4 finally determined by a court of competent jurisdiction to be  
5 invalid, such invalidity shall not affect any other provisions  
6 of this act, which shall be given full force and effect as  
7 completely as if the invalid provision had not been included  
8 herein.

9                   Section 8. This act shall become effective  
10 immediately following its passage and approval by the  
11 Governor, or its otherwise becoming law.