

1 HB664
2 131874-2
3 By Representatives Williams (J), Canfield, Farley, Coleman and
4 Givan (N & P)
5 RFD: Jefferson County Legislation
6 First Read: 24-MAY-11

1
2 ENROLLED, An Act,

3 Relating to Jefferson County; to authorize the levy
4 in the County of an annual business license tax on the
5 privilege of engaging in certain businesses, vocations,
6 occupations, callings or professions, specifically excluding
7 persons engaging in business in the County and required by law
8 to pay tax pursuant to Sections 40-16-4, 40-21-50, 40-21-52,
9 40-21-53, 40-21-56 or 40-21-60 Code of Alabama 1975, to be
10 measured by the gross receipts thereof after certain
11 deductions therefrom; to authorize the Jefferson County
12 Commission to promulgate a business license ordinance
13 implementing and levying the tax so authorized and specifying
14 the details thereof, which ordinance shall be posted on the
15 county's website for a stated period of time prior to its
16 consideration for adoption at a meeting of said Commission; to
17 provide that the maximum rate of the business license tax so
18 authorized shall not exceed the limitations thereon provided
19 for; to provide for minimum and maximum initial business
20 license taxes; to authorize the levy of a minimum flat fee for
21 the issuance of business licenses; to provide for the levy of
22 the business license tax in respect of businesses engaged in
23 more than one business; to provide for the severability of the
24 act; and to provide for the deposit of the taxes collected
25 into the County's General Fund.

1 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

2 Section 1. This act shall apply only to Jefferson
3 County.

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

6 (1) BUSINESS ACTIVITY. The carrying on or practice
7 of any business, vocation, occupation, work, calling, or
8 profession for profit.

9 (2) BUSINESS ENTITY. A person engaged in one or more
10 Business Activities, other than an individual.

11 (3) COUNTY. Jefferson County.

12 (4) GOVERNING BODY. The Jefferson County Commission.

13 (5) INDIVIDUAL. A natural person other than a sole
14 proprietor.

15 (6) PERSON. Any corporation, partnership, company,
16 association, unincorporated organization or other entity
17 formed to engage in Business Activity. The term includes an
18 individual engaged in Business Activity as a sole
19 proprietorship.

20 Section 3. (a) In addition to all state license
21 taxes levied under the provisions of Title 40, Chapter 12,
22 Article 2, Code of Alabama 1975, as amended, the Governing
23 Body of the County is hereby authorized to levy, impose and
24 collect a license or privilege tax, to be known as the
25 Jefferson County Entity Business License Tax, upon any person

1 other than an individual for engaging in Business Activity
2 conducted in the County measured by the gross receipts from
3 Business Activity conducted in the County in respect of which
4 gross receipts the person is not otherwise required by law to
5 pay a state tax pursuant to the provisions of any of Sections
6 40-16-4, 40-21-50, 40-21-52, 40-21-53, 40-21-56 or 40-21-60 of
7 the Code of Alabama 1975, as amended. Provided further, that a
8 person who is liable for the tax authorized by this act and
9 who is also required to purchase a state license or licenses
10 by the provisions of Title 40, Chapter 12, Article 2, Code of
11 Alabama 1975, as amended, may in the determination for each
12 county fiscal year or other applicable period of the amount of
13 such person's liability for said tax, at its option either (1)
14 deduct from its gross receipts from Business Activity
15 conducted in the County one-half (1/2) of the amount of such
16 receipts derived from the sale of merchandise or services by
17 such person from Business Activity conducted in the County or
18 (2) deduct from the amount of the license tax due under this
19 act one-half (1/2) of the amount or amounts paid by such
20 person for the state licenses, excluding fees, interest and
21 penalties, issued under the provisions of Title 40, Chapter
22 12, Article 2, Code of Alabama 1975, as amended. With the
23 exception of rental income, a person who is subject to the tax
24 authorized by this Act shall be allowed to deduct from its

1 gross receipts any interest, dividends and other passive
2 income otherwise included as gross receipts.

3 (b) The Jefferson County Entity Business License Tax
4 may be levied for each (i) county fiscal year beginning with
5 the fiscal year that commences on October 1, 2011 or (ii)
6 other applicable period at such rate or rates as shall be
7 determined by the Governing Body from time to time and in
8 respect of the various types of businesses conducted in the
9 County as the Governing Body may by ordinance determine
10 appropriate. In no event shall the Jefferson County Entity
11 Business License Tax payable by any person subject thereto
12 exceed for any period for which the tax is levied 1/40th of
13 one percent of the annual gross receipts derived from the
14 Business Activity conducted in the County of such person for
15 that period and subject to the tax herein authorized following
16 any gross receipts deduction permitted pursuant to subsection
17 (a). Notwithstanding the deductions or credits permitted under
18 subsection (a), every person subject to the Jefferson County
19 Entity Business License Tax shall pay at least a minimum tax
20 of \$25.00 per annum initially, and no more tax than \$15,000
21 per annum initially. Said maximum tax shall not restrict the
22 ability of the Governing Body to collect penalties, interest,
23 and fines which, when added to the tax due, exceed the maximum
24 annual amount for any past due Jefferson County Entity
25 Business License Tax. The Governing Body is authorized to

1 provide by ordinance for (1) an issuance fee, initially set at
2 \$25.00, which may be reasonably increased or decreased by the
3 Governing Body from time to time, and (2) the levy and
4 collection of the Jefferson County Entity Business License Tax
5 from the persons subject thereto and for the imposition of
6 penalties, interest, and fines on delinquent payments due and
7 unpaid and for costs of collection thereof.

8 (c) Beginning in County fiscal year 2016 and every
9 five years thereafter, the Governing Body may increase either
10 or both the minimum or the maximum tax amount provided for
11 under this act by an amount not to exceed five percent.

12 (d) Before the Governing Body may approve the
13 ordinance referenced in subsection (b), the Governing Body
14 shall post the text of the proposed ordinance on the county's
15 public website for a period of not less than fifteen (15)
16 days.

17 (e) When a person is engaged in more than one
18 business for one or more of which a state tax is required to
19 be paid pursuant to the provisions of any of Sections 40-16-4,
20 40-21-50, 40-21-52, 40-21-53, 40-21-56 or 40-21-60 of the Code
21 of Alabama 1975, as amended, but for one or more of which no
22 state tax is required to be paid pursuant to the provisions of
23 any of Sections 40-16-4, 40-21-50, 40-21-52, 40-21-53,
24 40-21-56 or 40-21-60 of the Code of Alabama 1975, as amended,
25 the Governing Body shall have the authority to levy hereunder

1 in respect of such business the Jefferson County Entity
2 Business License Tax measured by the gross receipts of such
3 business or such businesses respecting which such person is
4 not required to pay any state tax. In the absence of a
5 subsequent act of the Legislature specifically repealing this
6 sentence, the Governing Body may impose no new business
7 license other than the Jefferson County Entity Business
8 License Tax authorized by this Act. In no event shall the same
9 gross receipts for the same period be utilized as the measure
10 of tax for two or more licenses under the Jefferson County
11 Entity Business License Tax and any other business license or
12 privilege tax then being levied by the County for the same
13 period.

14 Section 4. The tax hereby authorized to be levied
15 shall be paid to that officer or employee of the County
16 chargeable with the duty of collecting license or privilege
17 taxes payable to the County, and the proceeds thereof, net of
18 any costs of collection, shall be deposited in the County's
19 General Fund and may be used and appropriated therefrom by the
20 Governing Body for the lawful purposes and objects of
21 expenditure for which such fund has been established.

22 Section 5. This act may not be construed as allowing
23 the Governing Body to levy a privilege tax or an occupational
24 tax on the compensation received by an employee from any

1 employer with a place of employment located within an
2 incorporated or unincorporated area of the County.

3 Section 6. 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 7. In addition to such other legal authority
10 as it may have with respect thereto, the Governing Body is
11 authorized to adopt and promulgate such rules and regulations
12 consistent herewith and with any ordinance providing for the
13 levy and collection of the tax herein authorized as shall be
14 necessary and appropriate in the circumstances to the
15 efficient administration thereof.

16 Section 8. This act shall become effective
17 immediately following its passage and approval by the
18 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 26-MAY-11.

Greg Pappas
Clerk

Senate

02-JUN-11

Passed