

1 HB52  
2 154885-1  
3 By Representative Collins  
4 RFD: Ways and Means Education  
5 First Read: 14-JAN-14  
6 PFD: 11/18/2013

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8 SYNOPSIS: Under existing law, there is no sales tax  
9 exemption in Alabama for the sale of original works  
10 of art in a cultural district.

11 This bill would provide a sales tax  
12 exemption for the sale of original works of art in  
13 any cultural district in a Class 1, Class 2, Class  
14 3, Class 4, and Class 5 municipality, and any  
15 municipality with an incorporated arts council or  
16 main street program.

17  
18 A BILL  
19 TO BE ENTITLED  
20 AN ACT  
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22 Relating to Class 1, Class 2, Class 3, Class 4, and  
23 Class 5 municipalities and municipalities with an incorporated  
24 arts council or main street program; to provide a sales tax  
25 exemption for an original work of art sold in a cultural  
26 district and to authorize the Alabama State Council on the

1 Arts to develop criteria for the establishment of the  
2 district.

3 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

4 Section 1. The provisions of this act shall only  
5 apply to Class 1, Class 2, Class 3, Class 4, and Class 5  
6 municipalities and municipalities with an incorporated arts  
7 council or main street program.

8 Section 2. As used in this act, the following terms  
9 shall have the following meanings:

10 (1) CULTURAL DISTRICT. A district designated by a  
11 local governing authority which is in an area being  
12 revitalized by creating a hub of cultural activity and  
13 affordable artist housing and workspace. The Alabama State  
14 Council on the Arts shall develop standard criteria for the  
15 establishment of a cultural district which shall include that  
16 the district be geographically contiguous and distinguished by  
17 cultural resources which play a vital role in the life and  
18 cultural development of the community.

19 (2) ORIGINAL WORK OF ART. An original and creative  
20 work, whether written, composed, performed, or executed for "a  
21 one of a kind limited" production by an artist living in a  
22 cultural district. The work may be:

- 23 a. A book or other writing.
- 24 b. A play or the performance of the play.
- 25 c. A musical composition or the performance of the  
26 composition.
- 27 d. A painting or other rendering.

1 e. A sculpture.

2 f. Traditional and fine crafts.

3 g. The creation of a film or the acting within the  
4 film.

5 h. The creation of a dance or the performance of the  
6 dance.

7 A work of art does not include any performance  
8 created or executed for industry or mass production.

9 Section 3. An artist who sells an original work of  
10 art as defined in this act with a sales price of \$10,000 or  
11 less per item in a cultural district in a municipality as  
12 described in Section 1 shall be exempt from the collection and  
13 payment of sales and use taxes on the sale of original works  
14 of art otherwise levied, assessed and payable under the  
15 provisions of Chapter 23 of Title 40, Code of Alabama 1975.  
16 This exemption shall not apply to county or municipal sales  
17 and use taxes unless approved by resolution or ordinance  
18 adopted by the governing body.

19 Section 4. The Department of Revenue may promulgate  
20 rules necessary to implement and administer the provisions of  
21 this bill.

22 Section 5. The provisions of this act are severable.  
23 If any part of this act is declared invalid or  
24 unconstitutional, that declaration shall not affect the part  
25 which remains.

26 Section 6. All laws or parts of laws which conflict  
27 with this act are repealed.

1                   Section 7. This act shall become effective for the  
2   fiscal year beginning October 1, 2013, and continuing  
3   thereafter, following its passage and approval by the  
4   Governor, or its otherwise becoming law.