

1 HB97

2 155419-3

3 By Representatives Patterson, Chesteen, Buttram, Baughn,
4 Wallace, Greer, Long, Johnson (W), Sanderford, Roberts,
5 Williams (D), Moore (B), Johnson (K), Hammon, Hubbard (M),
6 Williams (J), McClendon, Nordgren, Butler, Standridge, Shiver,
7 Shedd, Merrill, Beckman, Tuggle, Hurst, Farley, Brown,
8 Treadaway, Drake, McClurkin, Faust, Baker, Hill and McMillan

9 RFD: State Government

10 First Read: 14-JAN-14

11 PFD: 01/06/2014

2

3

4

5

6

7

8 SYNOPSIS: Under existing law, a tax or fee is required
9 to be collected regardless of whether the
10 administrative cost associated with the collection
11 of the tax or fee exceeds the actual amount of the
12 tax or fee collected.

13 This bill would require the Department of
14 Revenue, by administrative rule, to suspend the
15 collection of a tax or fee when the administrative
16 costs of collecting the tax or fee exceed the
17 collection amount of the tax or fee for each of the
18 previous three fiscal years.

19 This bill would prohibit the department from
20 suspending the collection of the a tax or fee if
21 the tax or fee is mandated by federal law or
22 regulation, if suspending the collection of the tax
23 or fee would result in reduced funding received
24 from the federal government that exceeds the state
25 costs of collecting the tax or fee, if suspending
26 the collection of the tax or fee would result in a
27 reduction in collection of local taxes or fees that

1 exceeds the state costs of collecting the tax or
2 fee, or if suspending collection would negatively
3 affect the public health, safety, or welfare.

4 This bill would prohibit the department from
5 applying a rule suspending the collection of a tax
6 or fee retroactively.

7 This bill would provide for periodic review
8 of all rules suspending payment of a tax or fee.

9
10 A BILL

11 TO BE ENTITLED

12 AN ACT

13
14 To add Section 40-1-49 to the Code of Alabama 1975;
15 to require the Department of Revenue, by administrative rule,
16 to suspend collection of certain taxes or fees if the
17 administrative cost of collection is more than the amount
18 collected; to provide exceptions; to provide that no
19 administrative rule suspending collection of a tax or fee
20 shall be applied retroactively; and providing for periodic
21 review of such rules.

22 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

23 Section 1. Section 40-1-49 is added to Chapter 1 of
24 Title 40, Code of Alabama 1975, to read as follows:

25 §40-1-49.

26 (a) The Department of Revenue, by administrative
27 rule, shall suspend the collection of a tax or fee which it is

1 authorized to collect when the cost of administering the
2 collection of such tax or fee has exceeded the total amount of
3 the tax or fee collected for each of the previous three fiscal
4 years.

5 (b) Notwithstanding subsection (a), the department
6 shall not suspend the collection of a tax or fee in any of the
7 following cases:

8 (1) If such tax or fee is mandated by federal law or
9 regulation.

10 (2) If discontinuing the collection of such tax or
11 fee would result in reduced federal funding received from the
12 federal government that exceeds the state costs of collecting
13 the tax or fee.

14 (3) If discontinuing the collection of a tax or fee
15 would result in reduced local revenues that exceeds the state
16 costs of collecting the tax or fee.

17 (4) If suspending collection of the tax or fee would
18 negatively affect the public health, safety, or welfare.

19 (c) No administrative rule promulgated pursuant to
20 this section shall be applied retroactively.

21 (d) In accordance with Act 2013-88, also known as
22 the Red Tape Reduction Act, any rule promulgated pursuant to
23 this act shall be reviewed not less than every five years.
24 Should it be determined that the administrative cost of
25 collecting a tax or fee no longer exceeds the total amount of
26 tax or fee that could be collected, any corresponding rule

1 suspending the collection of the tax or fee shall be repealed
2 by the department.

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