

1 HB108  
2 155819-2  
3 By Representatives Wren and Hubbard (M)  
4 RFD: Commerce and Small Business  
5 First Read: 14-JAN-14  
6 PFD: 01/10/2014

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8 SYNOPSIS: This bill would provide an optional  
9 non-itemized short form for filing a business  
10 personal property tax return for those taxpayers  
11 whose total original acquisition cost of all  
12 taxable tangible business personal property assets  
13 is equal to or less than \$10,000 each year. The  
14 Department of Revenue would be required to design  
15 the short form along with filing instructions to be  
16 used when filing the short form with the applicable  
17 local tax assessing official or agency.

18 This bill would require the Department of  
19 Revenue to develop and make available an online  
20 electronic filing system that would allow any  
21 taxpaying entity to electronically file any annual  
22 business personal property tax return that is  
23 required of the taxpaying entity by any local  
24 county assessing official. The bill would establish  
25 an advisory committee to oversee the development  
26 and implementation of the online filing system  
27 created under this act and would also provide that

1           there shall be no charge to either a taxpayer or a  
2           local taxing jurisdiction to access or utilize the  
3           electronic filing system created under this act.

4           This bill would allow the Department of  
5           Revenue to promulgate rules to implement the  
6           provisions of this act.

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8                           A BILL  
9                           TO BE ENTITLED  
10                          AN ACT

11  
12           Relating to business personal property tax; to  
13   provide an optional non-itemized short form for the filing of  
14   a business personal property tax return for those taxpayers  
15   whose total original acquisition cost of all taxable tangible  
16   business personal property assets is equal to or less than  
17   \$10,000 each year; to provide that the Department of Revenue  
18   shall design the short form and filing instructions to be used  
19   when filing the short form; to require the Department of  
20   Revenue to develop and make available an online electronic  
21   filing system which allows any taxpaying entity to  
22   electronically file any annual business personal property tax  
23   return that is required of the taxpaying entity by any local  
24   county assessing official or applicable agency; to provide  
25   that there shall be no charge to either a taxpayer or a local  
26   taxing jurisdiction to access or utilize the electronic filing  
27   system created hereunder; to establish an advisory committee

1 to oversee the development and implementation of the online  
2 filing system created under this act; and to allow the  
3 Department of Revenue to promulgate rules to implement the  
4 provisions of this bill.

5 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

6 Section 1. (a) Prior to October 1, 2014, the  
7 Department of Revenue shall design a non-itemized business  
8 personal property tax return short form "short form tax  
9 return" which, at the taxpayer's option, may be utilized for  
10 reporting total taxable tangible business personal property  
11 assets with original acquisition costs equal to or less than  
12 ten thousand dollars (\$10,000) under the provisions of this  
13 act and any rules promulgated by the department related  
14 thereto. Any taxpaying entity utilizing the short form return  
15 agrees to a business personal property tax liability for that  
16 applicable tax year that is based upon taxable tangible  
17 business personal property assets valued at ten thousand  
18 dollars (\$10,000), and that the submission of such short form  
19 return by the taxpayer is a declaration to the county  
20 assessing official or other applicable agency that the  
21 property is to be valued at ten thousand dollars (\$10,000) for  
22 all taxable tangible business personal property assets.

23 (b) Effective October 1, 2014, and subject to the  
24 provisions of this act, any taxpaying entity required to file  
25 a business personal property tax return with a county  
26 assessing official or other applicable agency may file the  
27 short form tax return if: (1) the taxpayer has previously

1 filed with the county assessing official or other applicable  
2 agency an itemized business personal property tax return in  
3 which the total original acquisition cost of all the taxpaying  
4 entity's taxable tangible business personal property assets  
5 resulted in a total amount equal to or less than ten thousand  
6 dollars (\$10,000); and (2) the taxpayer's total original  
7 acquisition cost of all taxable tangible business personal  
8 property assets for the current tax year results in the  
9 taxpaying entity's total amount of taxable tangible business  
10 personal property assets being equal to or less than ten  
11 thousand dollars (\$10,000). The tax liability for any taxpayer  
12 filing the short form tax return shall be calculated by the  
13 county assessing official or other applicable agency based  
14 upon a value of ten thousand dollars (\$10,000), and otherwise  
15 in accordance with subsection (a).

16 (c) Once a taxpaying entity has filed a business  
17 personal property tax return which includes a detailed  
18 itemized listing of all taxable tangible business personal  
19 property assets with the county assessing official or other  
20 applicable agency as required in subsection (b)(1), the  
21 taxpayer may file the short form tax return in each  
22 consecutive year that the total original acquisition cost of  
23 all taxable tangible business personal property assets remains  
24 equal to or less than ten thousand dollars (\$10,000).

25 (d) In the event the total original acquisition cost  
26 of all the taxpayer's taxable tangible business personal  
27 property assets exceeds ten thousand dollars (\$10,000), the

1 taxpayer shall be required to file a business personal  
2 property tax return which includes an itemized listing of all  
3 taxable tangible business personal property assets with the  
4 county assessing official or other applicable agency as  
5 otherwise required by law and shall pay taxes calculated based  
6 upon the assets itemized in the tax return.

7 (e) All short form tax returns shall be subject to  
8 audit by the appropriate county assessing official or other  
9 applicable agency, in the discretion of such official or  
10 agency. Such an audit may include the requirement that the  
11 taxpaying entity provide an itemized listing of all taxable  
12 tangible business personal property. Additionally, any  
13 taxpayer who knowingly submits a false or incorrect short form  
14 tax return shall be subject to penalties equaling 50 percent  
15 of any additional taxes owed. Further, any relevant and  
16 otherwise applicable state or local laws providing for  
17 penalties, fines, or fees for violations of tax return filings  
18 shall have full effect under the tax returns applicable to  
19 this act and shall not be limited or abrogated by any  
20 provision hereunder.

21 Section 2. (a) No later than September 30, 2016, the  
22 Department of Revenue shall develop, maintain, and administer  
23 an online business personal property tax filing system that  
24 allows any taxpayer required to file a business personal  
25 property tax return with any county assessing official or  
26 applicable agency the ability and option to electronically  
27 file the return through the electronic filing system which

1 will be submitted to the county assessing official or  
2 applicable agency where the tax return is required to be  
3 filed. The system shall be optional for any taxpayer and shall  
4 be known as the Optional Personal Property Assessment Link or  
5 OPPAL. All Alabama taxing jurisdictions shall allow taxpayers  
6 to utilize and access the OPPAL system for filing any business  
7 personal property return. The online system shall be available  
8 for use in tax periods beginning on and after October 1, 2016,  
9 provided the taxpayer complies with this act and any rules  
10 promulgated by the Department of Revenue for the  
11 administration and use of the system. The OPPAL system shall  
12 be utilized only for the filing of business personal property  
13 tax returns and shall not provide for the administration or  
14 enforcement of business personal property taxes.

15 (b) There shall be no charge to either the taxpayer  
16 or a local taxing jurisdiction for the utilization or access  
17 of the OPPAL system.

18 (c) The system developed and implemented pursuant to  
19 subsection (a) shall have the capability to allow a taxpayer  
20 to electronically file a business personal property tax return  
21 with the county assessing official or other applicable agency  
22 in each taxing jurisdiction in which the taxpayer is required  
23 to file a business personal property tax return. The  
24 electronically filed return shall contain all information  
25 included in the standard paper tax return and all information  
26 included in the electronically filed return shall be

1 electronically available to each appropriate local taxing  
2 jurisdiction at the time filed by the taxpayer.

3 Section 3. (a) No taxpayer shall be required to use  
4 the OPPAL system for filing business personal property tax  
5 returns; provided, however, that any taxpayer utilizing the  
6 system shall comply with this act and any rules promulgated by  
7 the Department of Revenue for the administration of this act.  
8 Additionally, any taxpayer utilizing the system shall comply  
9 with any rules of the local taxing jurisdiction regarding  
10 payment, administration, and enforcement of the business  
11 personal property tax law.

12 (b) All penalties and interest assessed according to  
13 state law for failure to properly and timely file a business  
14 personal property tax return or for payment of such taxes  
15 shall apply to filings made through the OPPAL system.

16 Section 4. (a) (1) To ensure that local taxing  
17 jurisdictions have meaningful input into the development and  
18 operation of OPPAL, a state and local advisory committee is  
19 hereby established to review the design and operation of the  
20 system and to make recommendations regarding the system  
21 requirements and functionality to the Commissioner of Revenue.

22 (2) The advisory committee shall consist of the  
23 following individuals:

24 a. Two local tax officials appointed by the  
25 Association of Alabama Tax Administrators.

26 b. Two local tax officials appointed by the Alabama  
27 Association of Assessing Officials.



1           c. One county commissioner appointed by the  
2 Association of County Commissioners of Alabama.

3           d. One probate judge who serves as chair of the  
4 county commission appointed by the Alabama Probate Judges  
5 Association.

6           e. One representative of the business community,  
7 appointed by the Business Council of Alabama.

8           f. One representative of the retail community  
9 appointed by the Alabama Retailers Association.

10          g. One representative of the business community,  
11 appointed by the Alabama Chapter of the National Federation of  
12 Independent Businesses.

13          h. One representative of the Alabama Department of  
14 Revenue, appointed by the Revenue Commissioner, who shall  
15 serve as chair of the advisory committee.

16          (3) The advisory committee members shall receive no  
17 compensation or reimbursement of expenses from the state for  
18 serving on the advisory committee.

19          (b) The advisory committee shall meet with the  
20 Commissioner of Revenue and other employees of the Department  
21 of Revenue as the commissioner deems appropriate. The initial  
22 meeting of the advisory committee shall be at a time and place  
23 to be determined by the chair of the advisory committee and  
24 shall be held no later than September 30, 2014. At the initial  
25 meeting, the advisory committee shall organize itself and  
26 shall determine the timing and frequency of subsequent  
27 meetings.

1           (c) The role of the advisory committee shall be  
2     limited to providing input and recommendations on the  
3     development and functionality of the OPPAL system with  
4     relation to the filing of business personal property tax  
5     returns utilizing the OPPAL system. The advisory committee  
6     shall make no review of the Department of Revenue's  
7     administration of property taxes or any other department  
8     matter beyond the OPPAL system.

9           (d) If the Revenue Commissioner fails to act on  
10    recommendations made by the advisory committee regarding  
11    OPPAL, the advisory committee, by majority vote, may appeal to  
12    the Legislative Council for a determination on whether the  
13    committee's recommendations shall be implemented. The  
14    determination of the Legislative Council shall be final.

15           Section 5. The provisions of this act are severable.  
16    If any part of this act is declared invalid or  
17    unconstitutional, that declaration shall not affect the part  
18    which remains.

19           Section 6. All laws or parts of laws which conflict  
20    with this act are repealed.

21           Section 7. This act shall become effective on the  
22    first day of the third month following its passage and  
23    approval by the Governor, or its otherwise becoming law.