

1 SB216
2 173439-6
3 By Senator Sanford
4 RFD: County and Municipal Government
5 First Read: 16-FEB-17

8 SYNOPSIS: Under existing law, the Department of
9 Revenue is authorized to enter into agreements with
10 counties and municipalities to collect and
11 administer local sales, use, rental, and lodging
12 taxes. To recover its costs, the department is
13 authorized to charge a municipality a maximum of
14 two percent of the revenue collected and a county a
15 maximum of five percent of the revenue collected.

16 This bill would prohibit the Department of
17 Revenue from charging a local governmental entity
18 for which it provides collection and administration
19 for a tax levy of the entity for the cost of
20 filing, payment processing, and remittance services
21 for any tax authorized to be filed under the ONE
22 SPOT system of the department and would define
23 collection and administrative services for those
24 purposes. The bill would also reduce the maximum
25 percentage the department could charge a county to
26 two percent.

This bill would also extend the time period for notification of the Department of Revenue by local governments of new or changed local governmental tax levies from 30 days prior to the effective date of the tax to 60 days prior to the effective date and would provide for liability relief for vendors and business taxpayers who incorrectly collect local rates due to the lack of proper notification of rate changes to the department.

A BILL

TO BE ENTITLED

AN ACT

To amend Sections 11-3-11.3, 11-51-183, 11-51-208, 11-51-210, 40-12-4, and 40-12-7, and add Section 11-51-210.1, to the Code of Alabama 1975, relating to the Department of Revenue; to further provide for the administration of local sales, use, rental, and lodgings tax; to prohibit the department from charging for certain services related to taxes authorized to be filed under the ONE SPOT system; to decrease the cap on costs the department can charge a county from five percent to two percent; to extend the county and municipal tax levy and rate notification requirements to the department; and to provide liability relief for miscollection of local taxes due to the lack of proper rate change notifications.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Sections 11-3-11.3, 11-51-183, 11-51-208, 11-51-210, 40-12-4, and 40-12-7 of the Code of Alabama 1975, are amended to read as follows:

"§11-3-11.3.

"(a) Counties may, upon request of the county commission, engage the Department of Revenue to collect and administer any county sales, use, rental, lodgings, tobacco, or other local taxes for which there is a corresponding state levy. Subject to subsections (d) and (e) below, the department shall collect and administer a county sales, use, rental, lodgings, tobacco, or other tax for which there is a corresponding state levy on behalf of the requesting county.

Any county sales, use, rental, or lodgings tax levy administered and collected by the Department of Revenue pursuant to this section, whether the levy is imposed pursuant to the authority of Section 40-12-4, or any general, special, or local act of the Legislature, shall parallel the corresponding state tax levy, except for the rate of tax, and shall be subject to all definitions, exceptions, exemptions, proceedings, requirements, provisions, rules, regulations, direct pay permits and drive-out certificate procedures, statutes of limitation, penalties, fines, punishments, and deductions as applicable to the corresponding state tax, except where otherwise provided in this section, including provisions for the enforcement and collection of taxes. The Department of Revenue shall make available to those counties

1 for which it collects and administers a sales, use, rental, or
2 lodgings tax collected and administered pursuant to this
3 section the same services which are made available to
4 municipal governments pursuant to Division 4 of Article 2 of
5 Chapter 51 and Article 3 of Chapter 51.

6 "(b) The Department of Revenue shall prepare and
7 distribute those reports, forms, and other information as may
8 be necessary to provide for its collection and administration
9 of any county tax it collects and administers and, on request,
10 shall make all reports available for inspection by the
11 governing body of the county. In collecting and administering
12 a county sales, use, rental, or lodgings tax, the department
13 shall have all the authority and duties as it has in
14 connection with the collection and administration of the
15 corresponding state tax including, without limitation, the
16 provisions of Chapters 2A, 12, 23, and 26 of Title 40.

17 "(c) (1) The Commissioner of Revenue shall deposit
18 into the State Treasury all county taxes collected and, on a
19 biweekly basis, shall certify to the ~~state~~ Comptroller the
20 amount of taxes collected for the approximate two-week period
21 immediately preceding the certification and the amount, less
22 the Department of Revenue's actual cost of collection and
23 administration, to be distributed to each county and which
24 shall be paid to the treasurer or other custodian of funds of
25 the county within three days after certification thereof.

26 "(2) The department shall charge each county the
27 actual cost to the department for collecting and administering

1 a tax. Notwithstanding the preceding sentence, however, the
2 charge shall not exceed two percent of the amount collected
3 for each county. At least once each month, the ~~state~~
4 Comptroller shall issue a warrant to the Department of Revenue
5 for the collection and administration charges due as
6 determined by the Commissioner of Revenue. Payment shall be
7 from funds collected under this section and shall be the
8 actual cost of collection and administration, not to exceed
9 two percent of the amount collected for each county.

10 "(3) Notwithstanding any other provisions of law,
11 the Department of Revenue shall not charge a fee to the county
12 for the cost of filing, payment processing, and remittance
13 services relating to any tax authorized to be filed under the
14 ONE SPOT system of the department. References in this
15 subsection to filing, payment processing, and remittance
16 services shall mean and refer only to the ONE SPOT system to
17 file and pay taxes authorized to be filed thereunder, and
18 shall not include the collection and administration of local
19 taxes as defined in subsection (i).

20 "(3) (4) Within 60 days after the end of each fiscal
21 year, the department, in cooperation with the office of the
22 Examiner of Public Accounts, shall recompute its actual costs
23 for collection and administration of county taxes for the
24 preceding fiscal year. Any collection and administration
25 over-charge shall be redistributed to the counties for which
26 the department collects and administers local taxes, on a pro

rate basis of each county's receipts. No under-charge shall be recovered, either directly or indirectly, from any county.

"(d) Except where the department is collecting on July 1, 1998, any county which has a tax levy that will be collected and administered by the Department of Revenue pursuant to the provisions of this section shall forward a certified copy of the enabling ordinance or resolution to the department at least 30 60 days prior to the first day of the month on which it is to begin collecting and administering the tax.

"(e) A new levy, or a levy changed by an amendment of a heretofore adopted levy, which will be collected and administered under this section shall not be subject to collection and administration by the Department of Revenue until the first day of the month ~~next~~ following the expiration of ~~30~~ 60 days after receipt by the department of a certified copy of the enabling ordinance or resolution with any amendment thereto.

"(f) The Department of Revenue shall from time to time issue such rules and regulations for making returns and for ascertainment, assessment, collection, and administration of taxes subject to the provisions of this section as it may deem necessary to enforce its provisions and shall furnish make available any municipal or county government ~~with~~ a copy of those rules and regulations ~~within 15 days of final adoption.~~ Upon request, the Department of Revenue shall

1 furnish any taxpayer with a copy of those rules and
2 regulations.

3 "(g) Any self-administered county governing body, as
4 defined in ~~Section 40-2A-3(20)~~ Section 40-2A-3(21), may elect,
5 by the adoption of an ordinance or resolution, to assess
6 interest on any tax delinquency. Any such assessment of
7 interest shall be consistent with the provisions of Section
8 40-23-2.1. Any self-administered county governing body may
9 also elect, by the adoption of an ordinance or resolution, to
10 pay interest on any refund of tax erroneously paid. In the
11 event that the governing body elects to assess interest on any
12 tax delinquency, the governing body must also elect to pay
13 interest, at the same rate charged by the county on tax
14 delinquencies, on any refund of tax erroneously paid. Unless
15 otherwise specified in the ordinance or resolution in which
16 the county governing body elects to assess or pay interest
17 determined in accordance with Section 40-1-44, the applicable
18 interest rate to be charged by or due from the county shall be
19 one percent per month. References in this subsection to
20 "erroneously paid" taxes on which interest shall be due to the
21 taxpayer shall only mean and refer to taxes paid to the
22 self-administered county or its agent as a result of any
23 error, omission, or inaccurate advice by or on behalf of the
24 self-administered county, including in connection with a prior
25 examination of its books and records by the self-administered
26 county or its agent.

"(h) Notwithstanding subsection (g), the applicable interest rate to be assessed on any tax delinquency or paid on any refund of erroneously paid taxes with respect to all county sales, use, rental, and lodgings tax levies collected by the Department of Revenue shall be determined in accordance with Section 40-1-44.

"(i) For the purpose of this section, the terms collection and administration are defined as the act or process of managing local taxes and local tax assignments; this process includes but is not limited to any or all functions required or performed, or both, to receive, reconcile, process, audit, assess, collate, and distribute local taxes.

"§11-51-183.

"(a) The Commissioner of Revenue shall deposit into the State Treasury all municipal taxes collected by the department under this division; and, on a biweekly basis, the commissioner shall certify to the ~~state~~ Comptroller the amount of taxes collected under the provisions of this division for the approximate two-week period immediately preceding the certification and the amount to be distributed to each municipality, less collection and administration charges deducted, which shall be paid to the treasurer or other custodian of funds of the municipality within three days after certification thereof.

"(b) The Department of Revenue shall charge each municipality its actual cost for collecting and administering

1 the municipal license taxes. Notwithstanding the previous
2 sentence, however, the charge shall not exceed two percent of
3 the amount collected for that municipality.

4 "(c) Within 60 days after the end of each fiscal
5 year, the Department of Revenue, in cooperation with the
6 office of the Examiner of Public Accounts, shall recompute its
7 actual cost for collection and administration of local taxes
8 for the preceding fiscal year. Any collection and
9 administration over-charge shall be redistributed to the
10 municipalities for which the department collects and
11 administers local taxes, on a pro rata basis of each
12 municipality's receipts. No under-charge shall be recovered,
13 either directly or indirectly, from any municipality.

14 "(d) The ~~state~~ Comptroller shall at least once each
15 month issue a warrant on the funds collected under this
16 division payable to the Department of Revenue for the amount
17 of the charges as determined by the Commissioner of Revenue.

18 "(e) The Department of Revenue shall not charge a
19 fee to the municipality, city, or town for the cost of filing,
20 payment processing, and remittance services relating to any
21 tax authorized to be filed under the ONE SPOT system of the
22 department. References in this subsection to filing, payment
23 processing, and remittance services shall mean and refer only
24 to the ONE SPOT system to file and pay taxes authorized to be
25 filed thereunder, and shall not include the collection and
26 administration of local taxes as defined in Section
27 11-3-11.3(i).

1 "(f) The Department of Revenue shall make available
2 to those localities for which it administers the taxes imposed
3 pursuant to this section the same services that are made
4 available to municipal governments pursuant to this division
5 and Article 3, commencing with Section 11-51-200, of this
6 chapter.

7 "(g) For the purpose of this section, the terms
8 collection and administration shall be defined using the
9 definition provided for in Section 11-3-11.3(i), Code of
10 Alabama 1975.

11 "§11-51-208.

12 "(a) Municipalities may, upon request of the
13 municipal governing body, engage the Department of Revenue to
14 collect and administer their municipal sales, use, rental, and
15 lodgings tax. Subject to subsections (c) and (d), the
16 Department of Revenue shall collect and administer the
17 municipal sales, use, rental, and lodgings tax on behalf of
18 the requesting municipality. The Department of Revenue shall
19 prepare and distribute reports, forms, and other information
20 as may be necessary to provide for the collection and
21 administration of any municipal tax it collects and
22 administers and, on request, shall make all reports available
23 for inspection by the governing body of the municipality. In
24 collecting and administering a municipal sales, use, rental,
25 or lodgings tax, the department shall have all the authority
26 and duties as it has in connection with the collection and
27 administration of the corresponding state tax including,

1 without limitation, the provisions of Chapters 2A, 12, 23, and
2 26 of Title 40.

3 "(b) (1) The Commissioner of Revenue shall deposit
4 into the State Treasury all municipal taxes collected and, on
5 a biweekly basis, shall certify to the ~~state~~ Comptroller the
6 amount of taxes collected for the approximate two-week period
7 immediately preceding the certification and the amount, less
8 the Department of Revenue's actual cost of collection and
9 administration, to be distributed to each municipality, which
10 shall be paid to the treasurer or other custodian of funds of
11 the municipality within three days after certification
12 thereof.

13 "(2) The department shall charge each municipality
14 the actual cost to the department for collecting and
15 administering its tax. Notwithstanding the preceding sentence,
16 however, the charge shall not exceed two percent of the amount
17 collected for each municipality. At least once each month, the
18 ~~state~~ Comptroller shall issue a warrant to the Department of
19 Revenue for the collection and administration charges due as
20 determined by the Commissioner of Revenue. Payment shall be
21 from funds collected under this section and shall be the
22 actual cost of collection and administration, not to exceed
23 two percent of the amount collected for each municipality.
24 Notwithstanding any other provision of law, the Department of
25 Revenue shall not charge a fee to the municipality, city, or
26 town for the cost of filing, payment processing, and
27 remittance services relating to any tax authorized to be filed

1 under the ONE SPOT system of the department. References in
2 this subsection to filing, payment processing, and remittance
3 services shall mean and refer only to the ONE SPOT system to
4 file and pay taxes authorized to be filed thereunder, and
5 shall not include the collection and administration of local
6 taxes as defined in Section 11-3-11.3(i).

7 "(3) Within 60 days after the end of each fiscal
8 year, the department, in cooperation with the office of the
9 Examiner of Public Accounts, shall recompute its actual costs
10 for collection and administration of municipal taxes for the
11 preceding fiscal year. Any collection and administration
12 over-charge shall be redistributed to the municipalities for
13 which the department collects and administers local taxes, on
14 a pro rata basis of each municipality's receipts. No
15 undercharge shall be recovered, either directly or indirectly,
16 from any municipality.

17 "(c) Except where the department is collecting on
18 July 1, 1998, any municipality which has a tax levy that will
19 be collected and administered by the Department of Revenue
20 pursuant to the provisions of this section shall forward a
21 certified copy of the enabling act, ordinance, or resolution
22 to the department at least 30 60 days prior to the first day
23 of the first month on which the department is to begin
24 collecting and administering the tax.

25 "(d) A new levy, or a levy changed by an amendment
26 of a heretofore adopted levy, which will be collected and
27 administered under this section shall not be subject to

1 collection and administration by the Department of Revenue
2 until the first day of the month next following the expiration
3 of ~~30~~ 60 days after receipt by the department of a certified
4 copy of the enabling act, ordinance, or resolution with any
5 amendments thereto.

6 "(e) Subject to the provisions of this section, the
7 Department of Revenue shall from time to time issue such rules
8 and regulations for making returns and for ascertainment,
9 assessment, collection, and administration of taxes subject to
10 the provisions of this section as it may deem necessary to
11 enforce its provisions and shall furnish any county or
12 municipal governing body with a copy of those rules and
13 regulations within 15 days of final adoption. Upon request,
14 the Department of Revenue shall furnish any taxpayer with a
15 copy of those rules and regulations.

16 "(f) Any self-administered municipal governing body,
17 as defined in ~~Section 40-2A-3(20)~~ Section 40-2A-3(21), may
18 elect, by the adoption of an ordinance or resolution, to
19 assess interest on any tax delinquency. Any such assessment of
20 interest shall be consistent with the provisions of Section
21 40-23-2.1. Any self-administered municipal governing body may
22 also elect, by the adoption of an ordinance or resolution, to
23 pay interest on any refund of tax erroneously paid. In the
24 event that the governing body elects to assess interest on any
25 tax delinquency, the governing body must also elect to pay
26 interest, at the same rate charged by the municipality on tax
27 delinquencies, on any refund of tax erroneously paid. Unless

1 otherwise specified in the ordinance or resolution in which
2 the municipal governing body elects to assess and pay interest
3 determined in accordance with Section 40-1-44, the applicable
4 interest rate to be charged by or due from the municipality
5 shall be one percent per month. References in this subsection
6 to "erroneously paid" taxes on which interest shall be due to
7 the taxpayer shall only mean and refer to taxes erroneously
8 paid to the self-administered municipality or its agent as a
9 result of any error, omission, or inaccurate advice by or on
10 behalf of the self-administered municipality, including in
11 connection with a prior examination of its books and records
12 by the self-administered municipality or its agent.

13 "(g) Notwithstanding subsection (f), the applicable
14 interest rate to be assessed on any tax delinquency or paid on
15 any refund of erroneously paid taxes with respect to all
16 municipal sales, use, rental, and lodgings tax levies
17 collected and administered by the Department of Revenue shall
18 be determined in accordance with Section 40-1-44.

19 "(h) For the purpose of this section, the terms
20 collection and administration shall be defined using the
21 definition provided for in Section 11-3-11.3(i), Code of
22 Alabama 1975.

23 "§11-51-210.

24 "(a) By December 31, 1998, the Department of Revenue
25 shall develop and promulgate in the form of a proposed agency
26 rule a standard multi-jurisdictional tax form and a singular
27 jurisdictional tax form for the reporting and payment of

1 municipal and county sales, use, rental, and lodgings taxes
2 for those municipalities and counties for which the department
3 serves as the collecting agent from time to time.

4 "(b) By December 31, 1998, a committee consisting of
5 three representatives appointed by the Alabama League of
6 Municipalities (ALM), who shall be municipal employees,
7 officials, or attorneys, and three representatives appointed
8 by the Association of County Commissions of Alabama (ACCA),
9 who shall be county employees, officials, or attorneys, shall
10 develop a standard multiple jurisdictional tax form and a
11 singular jurisdictional tax form for the reporting and payment
12 of all county and municipal sales, use, rental, and lodgings
13 taxes for all counties and municipalities, except
14 municipalities and counties that levy a gross receipts tax in
15 the nature of a sales tax, as defined in Section 40-2A-3(8),
16 that elects to be self-administered, as defined in Section
17 40-2A-3(21), from time to time. The committee shall also
18 establish procedures for issuance of an amended form to take
19 into account any new levies or changes in the tax rate or the
20 law. Once the form and procedures are developed by the
21 committee, they shall be distributed for comment to all
22 counties and municipalities, the Business Council of Alabama,
23 the Alabama Retail Association, the Alabama Chapter of the
24 National Federation of Independent Business, and the
25 Department of Revenue. Comments shall be returned to the
26 committee within 45 days. Following the close of the comment
27 period, the committee shall adopt a standard form and the

1 procedures for issuance of an amended form. The form and
2 procedure shall thereafter be distributed to self-administered
3 counties and municipalities with instructions that the
4 standard form shall be used by each self-administered county
5 and municipality.

6 "(c) On and after the first day of the third month
7 following the adoption of the standard tax forms prescribed by
8 subsection (a) and subsection (b), all municipalities and
9 counties administered by the department, and all
10 self-administered counties and municipalities, respectively,
11 shall accept the applicable form without material variation.
12 Subsequent changes to the form prescribed by subsection (b)
13 shall be effected in compliance with the procedures developed
14 by the committee. Any change in the tax rate shall take effect
15 without regard to the form in use.

16 "(d) Other than a self-administered county or
17 municipality that levies a gross receipts tax in the nature of
18 a sales tax, as defined in Section 40-2A-3(8), any county or
19 municipality levying or administering any one or more sales,
20 use, rental, or lodgings taxes shall accept, for reporting and
21 payment of taxes due that county or municipality, bulk
22 submissions of reports and, under regulations to be
23 promulgated by the self-administered county or municipality
24 affected, payments owed to such county or municipality made on
25 behalf of a taxpayer by its properly authorized representative
26 where such submissions are made using the appropriate form
27 developed under this section. Any such bulk submissions or

1 reports and payments shall include the municipality's or
2 county's assigned identification number for each such taxpayer
3 and vendee for each tax paid and contain sufficiently detailed
4 information by which each taxpayer and each vendee can be
5 identified such that a determination can be made as to the
6 amount and method of assessment of tax against such taxpayer
7 and vendee for the applicable county or municipality. The
8 acceptance by a county or municipality of such bulk
9 submissions shall not relieve the taxpayer on whose behalf
10 such submissions were made from liability for any sales, use,
11 rental, or lodgings tax arising from an error or omission made
12 by the taxpayer's representative. Any self-administered county
13 or municipality accepting such bulk submission may require
14 that the submission be signed by the taxpayer or its properly
15 authorized representative.

16 "(e) By June 30, 1998, every county and municipality
17 levying or administering a sales, use, rental, lodgings,
18 tobacco, gasoline, or ad valorem tax as of June 1, 1998, shall
19 submit to the Department of Revenue a list of the taxes then
20 levied or administered by that county or municipality and the
21 current rates thereof. Thereafter, every county and
22 municipality levying or administering a new sales, use,
23 rental, lodgings, tobacco, gasoline, or ad valorem tax or
24 amending an existing sales, use, rental, lodgings, tobacco,
25 gasoline, or ad valorem tax levy shall submit to the
26 department written notification of the new tax levy or the
27 amendment of an existing tax levy, in a manner as prescribed

by the department, at least 30 60 days prior to the effective date of the tax or amendment. The department shall send return confirmation of the notification of the tax levy or amendment of an existing tax levy to the county or municipality no later than the first day of the second month following receipt of proper notification by the county or municipality to the department. The effective date of the tax levy or amendment of an existing tax levy shall be the first day of the third month following the department's receipt of proper notification as required herein. However, failure to notify the department, as required by this subsection, shall not invalidate the levy of the tax but shall relieve the taxpayer of liability for having charged and collected an incorrect rate as provided herein.

The department shall compile this information into a written publication which shall be published and issued on a monthly basis to each municipal and county governing authority, private auditing firm, as defined in Section 40-2A-3(17), and to others who have so requested the publication. This written publication shall provide a then current listing of each county and municipality levying or administering a sales, use, rental, lodgings, tobacco, gasoline, or ad valorem tax and the current rate thereof. Beginning March 1, 2017, any taxpayer collecting sales, use, rental, or lodgings tax in compliance with the tax rates published by the department as required by this subsection shall be relieved from liability to Alabama and its local jurisdictions for having charged and collected an insufficient rate based upon the rate published by the

department. If the rate published by the department and relied upon by the taxpayer is less than the actual rate provided on the return confirmation provided to the county or municipality as required by this subsection, the department shall be responsible to the local jurisdiction for reimbursement of the amount due as a result of the difference between the published rate and that actual rate as provided to the department. The liability is only applicable for a period not to exceed one year from the date the incorrect rate was published by the department. Notwithstanding the preceding requirement, if a county or municipality fails to properly notify the department of a new levy or amendment to an existing levy, the department shall be relieved from liability to the local jurisdiction for a taxpayer having charged and collected an insufficient amount of tax based upon the rates published by the department.

Proper notification of a new levy or amendment to an existing levy shall be in a manner as prescribed by the department. A taxpayer shall not be relieved of liability for the proper amount of taxes owed even though the published tax rate or levy was in error. However, no penalties or interest for late payment or underpayment of taxes shall begin to accrue until the proper tax rate or levy has been on file at the department for at least 30 60 days, unless the taxpayer had actual knowledge of the correct tax rate or levy as of an earlier date.

"(f) For the purpose of this section, the terms
collection and administration shall be defined using the

1 definition provided for in Section 11-3-11.3(i), Code of
2 Alabama 1975.

3 "§40-12-4.

4 "(a) In order to provide funds for public school
5 purposes, the governing body of each of the several counties
6 in this state is hereby authorized by ordinance to levy and
7 provide for the assessment and collection of franchise, excise
8 and privilege license taxes with respect to privileges or
9 receipts from privileges exercised in such county, which shall
10 be in addition to any and all other county taxes heretofore or
11 hereafter authorized by law in such county. Such governing
12 body may, in its discretion, submit the question of levying
13 any such tax to a vote of the qualified electors of the
14 county. If such governing body submits the question to the
15 voters, then the governing body shall also provide for holding
16 and canvassing the returns of the election and for giving
17 notice thereof. All the proceeds from any tax levied pursuant
18 to this section less the cost of collection and administration
19 thereof shall be used exclusively for public school purposes,
20 including specifically and without limitation capital
21 improvements and the payment of debt service on obligations
22 issued therefor.

23 "(b) Notwithstanding anything to the contrary
24 herein, said the governing body shall not levy any tax
25 hereunder measured by gross receipts, except a sales or use
26 tax which parallels, except for the rate of tax, that imposed
27 by the state under this title. Any such sales or use tax on

1 any automotive vehicle, truck trailer, trailer, semitrailer,
2 or travel trailer required to be registered or licensed with
3 the probate judge, where not collected by a licensed Alabama
4 dealer at time of sale, shall be collected and fees paid in
5 accordance with the provisions of Sections 40-23-104 and
6 40-23-107, respectively. No such governing body shall levy any
7 tax upon the privilege of engaging in any business or
8 profession unless such tax is levied uniformly and at the same
9 rate against every person engaged in the pursuit of any
10 business or profession within the county; except, that any tax
11 levied hereunder upon the privilege of engaging in any
12 business or profession may be measured by the number of
13 employees of such business or the number of persons engaged in
14 the pursuit of such profession. In all counties having more
15 than one local board of education, revenues collected under
16 the provisions of this section shall be distributed within
17 such county on the same basis of the total calculated costs
18 for the Foundation Program for those local boards of education
19 within the county.

20 "(c) For the purpose of this section, the terms
21 collection and administration shall be defined using the
22 definition provided for in Section 11-3-11.3(i), Code of
23 Alabama 1975.

24 "§40-12-7.

25 "(a) All such taxes collected and administered by
26 the Department of Revenue shall be collected and remitted to
27 the governing bodies of the various counties in the manner as

1 provided for the collection and administration of taxes for
2 cities or towns as provided in Sections 11-51-180 through
3 11-51-185, and the Department of Revenue is authorized to
4 charge the counties for collecting and administering ~~said the~~
5 taxes its actual cost, not to exceed ~~five~~ two percent of the
6 amount collected, and to do any and all things pertaining to
7 the collection and administration of ~~said the~~ taxes for the
8 various counties as ~~said the~~ department is authorized to do in
9 collecting and administering taxes for cities and towns as
10 provided in Sections 11-51-180 through 11-51-185.

11 **"(b) For the purpose of this section, the terms**
12 collection and administration shall be defined using the
13 definition provided for in Section 11-3-11.3(i), Code of
14 Alabama 1975."

15 Section 2. Section 11-51-210.1, is added to the Code
16 of Alabama 1975, to read as follows.

17 §11-51-210.1.

18 No later than October 1, 2017, the department shall
19 send notice to every county or municipality levying a sales,
20 use, rental, or lodgings tax regarding the rates of such taxes
21 according to the records held by the department. Each county
22 and municipality shall notify the department of an existing
23 erroneous rate published by the department no later than
24 December 1, 2017. The county or municipality notifying the
25 department of such rate error shall send written confirmation,
26 on county or municipal letterhead, to the department listing
27 the erroneous rate published by the department and the

corrected rate along with supporting ordinances, resolutions, or documentation. If the county or municipality fails to respond to the department regarding an erroneously published rate pursuant to this section, the taxpayer shall be relieved from liability to the local jurisdiction for having charged and collected an insufficient amount of tax on or after March 1, 2018, based upon the rates published by the department on March 1, 2018. Should the county or municipality properly respond and notify the department regarding the erroneously published rate, and the rate published by the department and relied upon by the taxpayer is in conflict with the response provided by the county or municipality as required by this section, the department shall be responsible to the local jurisdiction for reimbursement of the amount due as a result of the difference between the published rate and the actual rate as provided to the department. Such liability shall only be applicable for a period, not to exceed one year, from the date the incorrect rate was published by the department.

Section 3. Section 1 of this act shall become effective on March 1, 2018, following its passage and approval by the Governor, or its otherwise becoming law. Section 2 of this act shall become effective immediately following its passage and approval by the Governor, or its otherwise becoming law.