

SB36 INTRODUCED



1 SB36
2 JPEZUFN-1
3 By Senator Albritton
4 RFD: Finance and Taxation General Fund
5 First Read: 13-Jan-26
6 PFD: 18-Dec-25



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4 SYNOPSIS:

5 Under existing law, local sales and use taxes
6 collected on the purchase of tangible personal property
7 by an Alabama resident from a different jurisdiction
8 are retained by the local taxing authority that levied
9 the sales and use taxes.

10 This bill would require any sales and use taxes
11 collected by an Alabama municipality from the purchase
12 of tangible personal property by an Alabama resident
13 from a different jurisdiction to be refunded to the
14 taxpayer upon proper proof of payment and residency.

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17 A BILL
18 TO BE ENTITLED
19 AN ACT

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21 Relating to local sales and use taxes; to require
22 municipalities to refund local sales taxes paid by Alabama
23 residents from a different jurisdiction upon proper proof of
24 payment and residency.

25 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

26 Section 1. (a) Any Alabama taxpayer who pays municipal
27 sales and use taxes to an Alabama municipality other than his
28 or her place of residence may file a petition for refund of

SB36 INTRODUCED



29 the taxes paid with the municipality based on a process
30 established by the municipality. The petition for refund may
31 only be filed once per year.

32 (b) Any taxpayer seeking a refund of municipal sales
33 and use taxes paid pursuant to (a) shall maintain records
34 documenting the amount of sales and use taxes paid to the
35 municipality. Refunds shall require proper documentation of
36 amounts of municipal sales and use taxes paid, along with
37 proof of residency of the taxpayer.

38 (c) Notwithstanding any other provisions of law,
39 interest due on any refund of municipal sales and use taxes
40 paid to a municipality under this act shall begin to be paid
41 by the municipality beginning 90 days after the receipt date
42 of the properly documented refund petition with interest
43 accruing beginning on the 91st day.

44 Section 2. This act shall become effective on October
45 1, 2026.