

1 HB355
2 130495-3
3 By Representative Hill
4 RFD: Commerce and Small Business
5 First Read: 29-MAR-11

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ENROLLED, An Act,

To establish the Alabama Streamlined Sales and Use Tax Commission to identify and develop the programs necessary to come into compliance with the Streamlined Sales and Use Tax Agreement in the event that Alabama becomes a participating member of the agreement and to require the commission to research Alabama's existing tax laws to identify what changes in existing law will be necessary in order to bring Alabama in compliance with the agreement in the event that federal legislation adopting the agreement becomes law.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. For purposes of this act, the following words or phrases shall have the following meanings:

(1) AGREEMENT. The Streamlined Sales and Use Tax Agreement.

(2) COMMISSION. The Alabama Streamlined Sales and Use Tax Commission created in this act to develop, implement, and administer programs necessary to come into compliance with the provisions of the Streamlined Sales and Use Tax Agreement.

(3) COMMISSIONER. The Commissioner of the Department of Revenue.

(4) DEPARTMENT. The Department of Revenue.

(5) SINGLE ENTITY ADMINISTRATION. A program to provide state-level administration of state and local

1 jurisdiction sales and use tax in compliance with the
2 provisions of the Streamlined Sales and Use Tax Agreement.

3 (6) STREAMLINED SALES AND USE TAX AGREEMENT. The
4 multi-state agreement by that name or any subsequent name the
5 purpose of which is to simplify and modernize sales and use
6 tax administration in member states in order to reduce the
7 burden of tax compliance, as in effect from time to time.

8 Section 2. (a) There is hereby established the
9 Alabama Streamlined Sales and Use Tax Commission, created to
10 identify, develop, implement, and administer the procedures
11 and programs the State of Alabama would need to come into
12 compliance with the Streamlined Sales and Use Tax Agreement in
13 the event that federal legislation implementing the agreement
14 or the general concepts of the agreement, which includes a
15 requirement that remote sellers collect and remit sales and
16 use taxes to member states, becomes law. The recommendations
17 of the commission, if ratified by the Legislature pursuant to
18 this act, shall not be implemented until and unless federal
19 legislation adopting the Streamlined Sales and Use Tax
20 Agreement becomes law.

21 (b) The commission shall be composed of 10 members,
22 appointed as follows:

23 (1) Two representatives of municipal government, who
24 shall be municipal employees or officials, appointed by the
25 Alabama League of Municipalities.

1 (2) Two representatives of county government, who
2 shall be county employees or officials, appointed by the
3 Association of County Commissions of Alabama.

4 (3) Four employees of the Department of Revenue
5 appointed by the Commissioner of the Department of Revenue.

6 (4) One representative of the retail community,
7 appointed by the Alabama Retail Association.

8 (5) One representative of the business community,
9 appointed by the Business Council of Alabama.

10 (c) All appointments to the commission shall be made
11 within 60 days of the effective date of this act, and each
12 member of the commission shall serve at the pleasure of his or
13 her appointing authority. Commission members shall receive no
14 additional compensation for service on the commission, but
15 shall be reimbursed by the State of Alabama for expenses in
16 accordance with state law and travel policy regarding
17 reimbursement for state employees' travel related to their
18 official work duties. The department shall provide
19 administrative support necessary for the commission to carry
20 out its duties.

21 (d) The commission, in all respects, shall be
22 subject to the Alabama Open Meetings Act, Title 36, Chapter
23 25A, Code of Alabama 1975. The organizational meeting of the
24 commission shall take place no later than 90 days following
25 the effective date of this act. The commissioner of the

1 department or his or her designee shall call the
2 organizational meeting and serve as chair until the election
3 of a chair as provided in this act. At the organizational
4 meeting, the commission shall elect a chair and vice chair,
5 who shall serve at the pleasure of the commission. The vice
6 chair shall serve as acting chair whenever the chair is unable
7 to preside at a meeting of the commission. A quorum for all
8 meetings of the commission shall consist of seven members. If
9 a quorum is not present at the beginning of any meeting, the
10 members present shall have the authority to establish an
11 alternate meeting date. A minimum of seven affirmative votes
12 of the members of the commission shall be required for
13 approval of any matter considered by the commission.

14 (e) The membership of the commission shall be
15 inclusive and reflect the racial, gender, geographic,
16 urban/rural, and economic diversity of the state.

17 Section 3. The duties of the commission shall
18 include identification and development of each of the
19 following as necessary for compliance with the Streamlined
20 Sales and Use Tax Agreement:

21 (1) The development of a system for single entity
22 administration of state and local tax collection and
23 distribution.

1 (2) The development of a system designed to provide
 2 proper notice of changes in state or local sales and use taxes
 3 or rates to taxpayers and the single entity administrator.

4 (3) The development of a system designed to provide
 5 proper implementation of changes in state or local sales and
 6 use taxes or rates.

7 (4) The development of a system providing for
 8 taxpayer audits by persons or entities other than the single
 9 entity administrator as authorized by the agreement.

10 (5) The development of a database of all state and
 11 local sales and use tax rates.

12 (6) Any other systems, programs, or policies the
 13 commission determines are required for compliance with the
 14 agreement.

15 Section 4. (a) The commission shall make a
 16 preliminary written report of its recommended implementation
 17 plan regarding necessary systems and programs within three
 18 months of the initial meeting of the commission. The
 19 preliminary report approved by the commission shall be
 20 distributed for comment to the department, all Alabama
 21 counties and municipalities, the Business Council of Alabama,
 22 and the Alabama Retail Association. The report shall also be
 23 posted on the website of the Department of Revenue at all
 24 times during the comment period with information about how
 25 persons or entities can provide comment to the commission. Any

1 comments from persons, entities, and organizations shall be
2 submitted in writing to the commission within 45 days of the
3 date distributed and posted. The commission shall review all
4 written comments and make changes to its preliminary report as
5 it deems appropriate.

6 (b) The commission shall make and file with the
7 Legislature a final written report of its recommended
8 implementation and administrative supervision of needed
9 systems, programs, and procedures necessary to bring the state
10 into compliance with the agreement no later than the fifth
11 legislative day of the 2012 Regular Session of the
12 Legislature. The report shall include proposed plans and
13 estimated costs for implementation of the systems identified
14 and developed pursuant to Section 3.

15 (c) If ratified and approved by ~~joint resolution of~~
16 ~~the Legislature~~ the Legislative Council, the recommendations
17 of the commission shall be implemented and administered only
18 in the event that federal legislation adopting the Streamline
19 Sales and Use Tax Agreement or the general concepts of the
20 agreement which include a requirement that remote sellers
21 collect and remit sales and use taxes to member states,
22 becomes law.

23 Section 5. (a) In addition to the duties set out in
24 Section 3, the commission shall research Alabama's existing
25 tax laws to identify what changes in existing law will be

1 necessary in order to bring Alabama in compliance with the
2 agreement in the event that federal legislation adopting the
3 agreement becomes law. The commissioner of the department, or
4 his or her designee, shall assist the commission as necessary
5 in carrying out this function, and once the commission's
6 research is completed, shall assist the commission in drafting
7 legislation proposing the changes it identifies as necessary
8 to bring the state into compliance with the agreement.

9 (b) The commission shall make preliminary
10 recommendations regarding necessary changes in Alabama's
11 existing tax laws within six months of filing the written
12 report required in subsection (b) of Section 3. The
13 preliminary recommendations approved by the commission shall
14 be distributed for comment to the department, the Association
15 of County Commissions of Alabama, the Alabama League of
16 Municipalities, the Business Council of Alabama, and the
17 Alabama Retail Association. The report shall also be posted on
18 the website of the department at all times during the comment
19 period with information about how persons or entities can
20 provide comment to the commission. Any comments from persons,
21 entities, and organizations shall be submitted in writing to
22 the commission within 45 days of the date distributed and
23 posted. The commission shall review all written comments and
24 make changes to its preliminary recommendations as it deems
25 appropriate and shall submit a written report of its final

1 recommendations to the Legislature by the third legislative
2 day of the first regular session following the enactment of
3 federal legislation implementing the agreement or the general
4 concepts of the agreement, which includes a requirement that
5 remote sellers collect and remit sales and use taxes to member
6 states, becomes law.

7 Section 6. The Legislature shall appropriate such
8 funds from the general funds of the State of Alabama as
9 necessary for the reasonable and necessary expenses of the
10 commission, including the implementation and administration of
11 programs developed pursuant to this act.

12 Section 7. This act shall become effective
13 immediately following its passage and approval by the
14 Governor, or its otherwise becoming law.

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Speaker of the House of Representatives

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in
and was passed by the House 21-APR-11.

Greg Pappas
Clerk

Senate	02-JUN-11	Amended and Passed
House	02-JUN-11	Concurred in Senate Amendment