

1 SB230
2 149044-1
3 By Senators Blackwell, Ward, Fielding, and Dial
4 RFD: Finance and Taxation General Fund
5 First Read: 19-FEB-13

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8 SYNOPSIS: Under existing law, the state levies a
9 privilege tax on every entity doing business in
10 Alabama or organized, incorporated, qualified, or
11 registered under the laws of Alabama. Certain
12 entities are exempt from the tax.

13 This bill would add Section 40-14A-44 to the
14 Code of Alabama 1975, to exempt certain dormant
15 entities from the privilege tax.

16
17 A BILL
18 TO BE ENTITLED
19 AN ACT

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21 To add Section 40-14A-44 to the Code of Alabama
22 1975, to exempt dormant entities from the business privilege
23 tax.

24 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

25 Section 1. Section 40-14A-44 is added to the Code of
26 Alabama 1975, to read as follows:

27 §40-14A-44.

1 The taxes levied by this chapter shall not apply to
2 any legal entity which becomes dormant, even if the entity
3 fails to dissolve or to withdraw its qualification to do
4 business with the Secretary of State. An entity is dormant for
5 purposes of this section if for two consecutive years prior to
6 the taxable year the entity has not owned property, produced
7 income, or carried out any business activity or function of
8 any type.

9 Section 2. This act shall become effective
10 immediately following its passage and approval by the
11 Governor, or its otherwise becoming law.