

1 SB314  
2 157804-1  
3 By Senator Sanford  
4 RFD: Finance and Taxation General Fund  
5 First Read: 04-FEB-14

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8 SYNOPSIS: Under existing law, an advertising agency  
9 may be subject to taxation for printed material  
10 stored, used, or consumed in this state purchased  
11 from a printer who is located out of this state.

12 This bill would provide for clarification of  
13 the liability of advertisers in the state for use  
14 tax on printed materials purchased from  
15 out-of-state printers in cases where the advertiser  
16 does not have control over the individual  
17 recipients of the materials.

18  
19 A BILL  
20 TO BE ENTITLED  
21 AN ACT  
22

23 To add Section 40-23-62.1, Code of Alabama 1975, to  
24 clarify that advertisers in this state are exempt from use tax  
25 on certain materials purchased from out-of-state printers in  
26 cases where the advertiser does not have control over the  
27 individual recipients of the materials.

1 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

2 Section 1. Section 40-23-62.1 is added to the Code  
3 of Alabama 1975, to read as follows:

4 §40-23-62.1. Exemption for advertisers.

5 The storage, use, or other consumption in this state  
6 of any printed materials purchased by an advertising agency  
7 from a printer located out of state is exempt from the tax  
8 imposed by this article, provided that the advertising agency  
9 does not furnish a list of names of persons who are to be  
10 mailed the printed matter to the printer.

11 Section 2. The provisions of this act are severable.  
12 If any part of this act is declared invalid or  
13 unconstitutional, that declaration shall not affect the part  
14 which remains.

15 Section 3. This act is only a clarification of  
16 existing law and shall therefore apply retroactively to all  
17 open tax periods and all periods for which a preliminary or  
18 final assessment of tax could be entered pursuant to Section  
19 40-2A-7, Code of Alabama 1975, or any successor general or  
20 local law. However, no refunds shall be due or issued pursuant  
21 to this act with respect to those periods prior to the  
22 effective date of this act.

23 Section 4. This act shall become effective on the  
24 first day of the third month following its passage and  
25 approval by the Governor, or its otherwise becoming law.