

1 SB46  
2 155626-1  
3 By Senator Taylor  
4 RFD: Finance and Taxation General Fund  
5 First Read: 14-JAN-14  
6 PFD: 12/05/2013

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8 SYNOPSIS: Under existing law, any taxpayer liable for  
9 the payment of state sales taxes whose average  
10 monthly tax liability was \$1,000 or greater during  
11 the preceding calendar year must make estimated  
12 monthly payments to the Department of Revenue based  
13 on the actual tax liability for the same calendar  
14 month of the preceding year.

15 This bill would increase the average monthly  
16 tax liability threshold for a taxpayer to be  
17 required to make estimated payments to \$2,500 or  
18 greater.

19  
20 A BILL  
21 TO BE ENTITLED  
22 AN ACT  
23

24 To amend Section 40-23-7, Code of Alabama 1975,  
25 regarding the collection of state sales taxes, to increase the  
26 average monthly tax liability for a taxpayer to be required to

1 make estimated state sales tax payments from \$1,000 or greater  
2 to \$2,500 or greater.

3 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

4 Section 1. Section 40-23-7, Code of Alabama 1975, is  
5 amended to read as follows as follows:

6 "§40-23-7.

7 "(a) The taxes levied under the provisions of this  
8 division, except as otherwise provided in subsection (d),  
9 shall be due and payable in monthly installments on or before  
10 the 20th day of the month next succeeding the month in which  
11 the tax accrues.

12 "(b) Except as otherwise provided in subsection (d)  
13 on or before the 20th day of each month, every person on whom  
14 the taxes levied by this division are imposed shall report to  
15 the department, on a form prescribed by the department, a true  
16 and correct statement showing such information as the  
17 department may require, and shall pay to the department the  
18 amount of taxes shown to be due.

19 "(c) Any taxpayer liable for taxes under the  
20 provisions of this division whose average monthly state sales  
21 tax liability was ~~one thousand dollars (\$1,000)~~ two thousand  
22 five hundred dollars (\$2,500) or greater during the preceding  
23 calendar year shall make estimated payments to the department  
24 on or before the 20th day of the month in which the liability  
25 occurs as follows:

26 "(1) The amount of the first estimated payment shall  
27 be 66 2/3 percent of the taxpayer's actual tax liability for

1 the month of October 1983; thereafter the amounts of the  
2 payment shall be the lesser of 66 2/3 percent of the  
3 taxpayer's actual tax liability for the same calendar month of  
4 the preceding year or 66 2/3 percent of the current month's  
5 estimated liability.

6 "(2) Any outstanding credit or deficit arising from  
7 the taxpayer's overpayment or underpayment of his final  
8 liability shall be applied to either increase or reduce, as  
9 the case may be, that month's final tax liability which shall  
10 be reported and paid not later than the 20th day of the month  
11 next succeeding the month in which the tax accrues.

12 "(3) The provisions of this subsection shall not  
13 apply to the provisions of Sections 11-51-180, 11-51-200,  
14 40-12-4, nor to any municipal or county taxes levied by past  
15 or future special or local acts of the Legislature.

16 "(d) When the total state sales tax for which any  
17 person is liable under this division averages less than two  
18 hundred dollars (\$200) per month during the preceding calendar  
19 year, a quarterly return and remittance in lieu of the monthly  
20 returns may be made, by election of the taxpayer to the  
21 department, on or before the 20th day of the month next  
22 succeeding the end of the quarter for which the tax is due  
23 under any rules and regulations as may be prescribed. The  
24 election to file quarterly shall be made in writing no later  
25 than February 20 of each year and shall be filed with the  
26 department. Notwithstanding the above, no state sales tax  
27 return shall be due until January 20 of each year unless the

1 total state sales tax for which any person is liable under  
2 this division during the preceding calendar year exceeds ten  
3 dollars (\$10).

4 "(e) The department, for good cause, may extend the  
5 time for making any state or state-administered return  
6 required under the provisions of this division, but the time  
7 for filing any such return shall not be extended for a period  
8 greater than 30 days from the date such return is due to be  
9 made."

10 Section 2. This bill is effective September 1, 2014,  
11 following its passage and approval by the Governor or its  
12 otherwise becoming law.