

1 SB4
2 171738-1
3 By Senator Pittman
4 RFD: Finance and Taxation Education
5 First Read: 08-SEP-15

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8 SYNOPSIS: This bill would amend Section 40-23-85, Code
9 of Alabama 1975 to provide further for the
10 distribution of use tax funds.

11
12 A BILL
13 TO BE ENTITLED
14 AN ACT
15

16 To amend Section 40-23-85, Code of Alabama 1975 to
17 provide further for the distribution of use tax funds.

18 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

19 Section 1. Section 40-23-85, Code of Alabama 1975,
20 is amended to read as follows:

21 "§40-23-85.

22 "(a) All taxes, fees, interest or penalties imposed
23 and all amounts of tax herein required to be paid to the state
24 under this article must be paid to the Department of Revenue
25 at Montgomery, Alabama, with remittance payable to the
26 Treasurer of Alabama. Such amount of money as shall be
27 appropriated for each fiscal year by the Legislature to the

1 Department of Revenue with which to pay the salaries, the cost
2 of operation and the management of the said department shall
3 be deducted, as a first charge thereon, from the taxes
4 collected under and pursuant to Section 40-23-61; provided,
5 that the expenditure of said sum so appropriated shall be
6 budgeted and allotted pursuant to Article 4 of Chapter 4 of
7 Title 41, and limited to the amount appropriated to defray the
8 expenses of operating said department for each fiscal year.
9 After the distributions provided herein and the distributions
10 of use tax on automobiles to the General Fund as provided in
11 Section 40-23-61(c), the balance of the tax collected under
12 and pursuant to said Section 40-23-61 shall be distributed as
13 follows: (1) remote use tax amounts, seventy-five percent
14 (75%) to the General Fund and twenty-five percent (25%) to the
15 Education Trust Fund, and (2) any remaining amounts,
16 seventy-five percent (75%) to the Education Trust Fund and
17 twenty-five percent (25%) to the General Fund. An amount
18 sufficient to fund the Children's Health Insurance Program
19 (CHIP) shall be distributed annually as a first charge against
20 the amounts allocated to the General Fund under this section.
21 It is the legislative intent that all amounts collected on
22 transactions involving a seller located outside the State of
23 Alabama when the property is shipped or transported from
24 outside the state shall be considered use tax for the purpose
25 of this distribution, regardless of whether the taxes may be
26 considered sales taxes for other purposes.

1 "(b) Notwithstanding the provisions of subsection
2 (a), after the distributions to the Department of Revenue to
3 pay the salaries and the cost of operation and the management
4 of the department, the taxes collected under and pursuant to
5 Section 40-23-61, excluding remote use tax, shall be
6 distributed as follows for the fiscal year beginning October
7 1, 2015; forty-three percent (43%) to the State General Fund
8 and fifty-seven (57%) to the Education Trust Fund.

9 Section 2. Notwithstanding the provisions of the
10 Education Trust Fund Billing Reserve Act contained in Section
11 29-9-3(b) (4), Code of Alabama 1975, the provisions of this
12 bill transferring recurring revenues from the Education Trust
13 Fund to the State General Fund, for the fiscal year beginning
14 October 1, 2015, shall not require a reduction in the fiscal
15 year appropriation cap for the fiscal year ending September
16 30, 2016.

17 Section 3. All laws or parts of laws which conflict
18 with this act are repealed.

19 Section 4. This act shall become effective October
20 1, 2015, following its passage and approval by the Governor,
21 or upon its otherwise becoming law.