

1 SB278  
2 173439-3  
3 By Senator Sanford  
4 RFD: County and Municipal Government  
5 First Read: 23-FEB-16

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8 SYNOPSIS: Under existing law, the Department of  
9 Revenue is authorized to enter into agreements with  
10 counties and municipalities to collect and  
11 administer local sales, use, rental, and lodging  
12 taxes. To recover its costs, the department is  
13 authorized to charge a municipality a maximum of  
14 two percent of the revenue collected and a county a  
15 maximum of five percent of the revenue collected.

16 This bill would prohibit the Department of  
17 Revenue from charging a local governmental entity  
18 for which it provides collection and administration  
19 for a tax levy of the entity for the cost of  
20 filing, payment processing, and remittance services  
21 for any tax authorized to be filed under the ONE  
22 SPOT system of the department and would define  
23 collection and administrative services for those  
24 purposes. The bill would also reduce the maximum  
25 percentage the department could charge a county to  
26 two percent.

1                   This bill would also extend the time period  
2                   for notification of the Department of Revenue by  
3                   local governments of new or changed local  
4                   governmental tax levies from 30 days prior to the  
5                   effective date of the tax to 60 days prior to the  
6                   effective date and would provide for liability  
7                   relief for vendors and business taxpayers who  
8                   incorrectly collect local rates due to the lack of  
9                   proper notification of rate changes to the  
10                  department.

11  
12   A BILL  
13   TO BE ENTITLED  
14   AN ACT

15  
16                   To amend Sections 11-3-11.3, 11-51-183, 11-51-208,  
17                   11-51-210, 40-12-4, and 40-12-7, and add Section 11-51-210.1,  
18                   to the Code of Alabama 1975, relating to the Department of  
19                   Revenue; to further provide for the administration of local  
20                   sales, use, rental, and lodgings tax; to prohibit the  
21                   department from charging for certain services related to taxes  
22                   authorized to be filed under the ONE SPOT system; to decrease  
23                   the cap on costs the department can charge a county from five  
24                   percent to two percent; to extend the county and municipal tax  
25                   levy and rate notification requirements to the department; and  
26                   to provide liability relief for miscollection of local taxes  
27                   due to the lack of proper rate change notifications.

1 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

2 Section 1. Sections 11-3-11.3, 11-51-183, 11-51-208,  
3 11-51-210, 40-12-4, and 40-12-7 of the Code of Alabama 1975,  
4 are amended to read as follows:

5 "§11-3-11.3.

6 "(a) Counties may, upon request of the county  
7 commission, engage the Department of Revenue to collect and  
8 administer any county sales, use, rental, lodgings, tobacco,  
9 or other local taxes for which there is a corresponding state  
10 levy. Subject to subsections (d) and (e) below, the department  
11 shall collect and administer a county sales, use, rental,  
12 lodgings, tobacco, or other tax for which there is a  
13 corresponding state levy on behalf of the requesting county.  
14 Any county sales, use, rental, or lodgings tax levy  
15 administered and collected by the Department of Revenue  
16 pursuant to this section, whether the levy is imposed pursuant  
17 to the authority of Section 40-12-4, or any general, special,  
18 or local act of the Legislature, shall parallel the  
19 corresponding state tax levy, except for the rate of tax, and  
20 shall be subject to all definitions, exceptions, exemptions,  
21 proceedings, requirements, provisions, rules, regulations,  
22 direct pay permits and drive-out certificate procedures,  
23 statutes of limitation, penalties, fines, punishments, and  
24 deductions as applicable to the corresponding state tax,  
25 except where otherwise provided in this section, including  
26 provisions for the enforcement and collection of taxes. The  
27 Department of Revenue shall make available to those counties

1 for which it collects and administers a sales, use, rental, or  
2 lodgings tax collected and administered pursuant to this  
3 section the same services which are made available to  
4 municipal governments pursuant to Division 4 of Article 2 of  
5 Chapter 51 and Article 3 of Chapter 51.

6 "(b) The Department of Revenue shall prepare and  
7 distribute those reports, forms, and other information as may  
8 be necessary to provide for its collection and administration  
9 of any county tax it collects and administers and, on request,  
10 shall make all reports available for inspection by the  
11 governing body of the county. In collecting and administering  
12 a county sales, use, rental, or lodgings tax, the department  
13 shall have all the authority and duties as it has in  
14 connection with the collection and administration of the  
15 corresponding state tax including, without limitation, the  
16 provisions of Chapters 2A, 12, 23, and 26 of Title 40.

17 "(c) (1) The Commissioner of Revenue shall deposit  
18 into the State Treasury all county taxes collected and, on a  
19 biweekly basis, shall certify to the ~~state~~ Comptroller the  
20 amount of taxes collected for the approximate two-week period  
21 immediately preceding the certification and the amount, less  
22 the Department of Revenue's actual cost of collection and  
23 administration, to be distributed to each county and which  
24 shall be paid to the treasurer or other custodian of funds of  
25 the county within three days after certification thereof.

26 "(2) The department shall charge each county the  
27 actual cost to the department for collecting and administering

1 a tax. Notwithstanding the preceding sentence, however, the  
2 charge shall not exceed two percent of the amount collected  
3 for each county. At least once each month, the ~~state~~  
4 Comptroller shall issue a warrant to the Department of Revenue  
5 for the collection and administration charges due as  
6 determined by the Commissioner of Revenue. Payment shall be  
7 from funds collected under this section and shall be the  
8 actual cost of collection and administration, not to exceed  
9 two percent of the amount collected for each county.

10 "(3) Notwithstanding any other provisions of law,  
11 the Department of Revenue shall not charge a fee to the county  
12 for the cost of filing, payment processing, and remittance  
13 services relating to any tax authorized to be filed under the  
14 ONE SPOT system of the department. References in this  
15 subsection to filing, payment processing, and remittance  
16 services shall mean and refer only to the ONE SPOT system to  
17 file and pay taxes authorized to be filed thereunder, and  
18 shall not include the collection and administration of local  
19 taxes as defined in subsection (i).

20 ~~"(3)~~ (4) Within 60 days after the end of each fiscal  
21 year, the department, in cooperation with the office of the  
22 Examiner of Public Accounts, shall recompute its actual costs  
23 for collection and administration of county taxes for the  
24 preceding fiscal year. Any collection and administration  
25 over-charge shall be redistributed to the counties for which  
26 the department collects and administers local taxes, on a pro

1 rata basis of each county's receipts. No under-charge shall be  
2 recovered, either directly or indirectly, from any county.

3 "(d) Except where the department is collecting on  
4 July 1, 1998, any county which has a tax levy that will be  
5 collected and administered by the Department of Revenue  
6 pursuant to the provisions of this section shall forward a  
7 certified copy of the enabling ordinance or resolution to the  
8 department at least ~~30~~ 60 days prior to the first day of the  
9 month on which it is to begin collecting and administering the  
10 tax.

11 "(e) A new levy, or a levy changed by an amendment  
12 of a heretofore adopted levy, which will be collected and  
13 administered under this section shall not be subject to  
14 collection and administration by the Department of Revenue  
15 until the first day of the month ~~next~~ following the expiration  
16 of ~~30~~ 60 days after receipt by the department of a certified  
17 copy of the enabling ordinance or resolution with any  
18 amendment thereto.

19 "(f) The Department of Revenue shall from time to  
20 time issue such rules and regulations for making returns and  
21 for ascertainment, assessment, collection, and administration  
22 of taxes subject to the provisions of this section as it may  
23 deem necessary to enforce its provisions and shall ~~furnish~~  
24 make available any municipal or county government ~~with~~ a copy  
25 of those rules and regulations ~~within 15 days of final~~  
26 ~~adoption~~. Upon request, the Department of Revenue shall

1 furnish any taxpayer with a copy of those rules and  
2 regulations.

3 "(g) Any self-administered county governing body, as  
4 defined in ~~Section 40-2A-3(20)~~ Section 40-2A-3(21), may elect,  
5 by the adoption of an ordinance or resolution, to assess  
6 interest on any tax delinquency. Any such assessment of  
7 interest shall be consistent with the provisions of Section  
8 40-23-2.1. Any self-administered county governing body may  
9 also elect, by the adoption of an ordinance or resolution, to  
10 pay interest on any refund of tax erroneously paid. In the  
11 event that the governing body elects to assess interest on any  
12 tax delinquency, the governing body must also elect to pay  
13 interest, at the same rate charged by the county on tax  
14 delinquencies, on any refund of tax erroneously paid. Unless  
15 otherwise specified in the ordinance or resolution in which  
16 the county governing body elects to assess or pay interest  
17 determined in accordance with Section 40-1-44, the applicable  
18 interest rate to be charged by or due from the county shall be  
19 one percent per month. References in this subsection to  
20 "erroneously paid" taxes on which interest shall be due to the  
21 taxpayer shall only mean and refer to taxes paid to the  
22 self-administered county or its agent as a result of any  
23 error, omission, or inaccurate advice by or on behalf of the  
24 self-administered county, including in connection with a prior  
25 examination of its books and records by the self-administered  
26 county or its agent.



1           "(h) Notwithstanding subsection (g), the applicable  
2 interest rate to be assessed on any tax delinquency or paid on  
3 any refund of erroneously paid taxes with respect to all  
4 county sales, use, rental, and lodgings tax levies collected  
5 by the Department of Revenue shall be determined in accordance  
6 with Section 40-1-44.

7           "(i) For the purpose of this section, the terms  
8 collection and administration are defined as the act or  
9 process of managing local taxes and local tax assignments;  
10 this process includes but is not limited to any or all  
11 functions required or performed, or both, to receive,  
12 reconcile, process, audit, assess, collate, and distribute  
13 local taxes.

14           "§11-51-183.

15           "(a) The Commissioner of Revenue shall deposit into  
16 the State Treasury all municipal taxes collected by the  
17 department under this division; and, on a biweekly basis, the  
18 commissioner shall certify to the ~~state~~ Comptroller the amount  
19 of taxes collected under the provisions of this division for  
20 the approximate two-week period immediately preceding the  
21 certification and the amount to be distributed to each  
22 municipality, less collection and administration charges  
23 deducted, which shall be paid to the treasurer or other  
24 custodian of funds of the municipality within three days after  
25 certification thereof.

26           "(b) The Department of Revenue shall charge each  
27 municipality its actual cost for collecting and administering

1 the municipal license taxes. Notwithstanding the previous  
2 sentence, however, the charge shall not exceed two percent of  
3 the amount collected for that municipality.

4 "(c) Within 60 days after the end of each fiscal  
5 year, the Department of Revenue, in cooperation with the  
6 office of the Examiner of Public Accounts, shall recompute its  
7 actual cost for collection and administration of local taxes  
8 for the preceding fiscal year. Any collection and  
9 administration over-charge shall be redistributed to the  
10 municipalities for which the department collects and  
11 administers local taxes, on a pro rata basis of each  
12 municipality's receipts. No under-charge shall be recovered,  
13 either directly or indirectly, from any municipality.

14 "(d) The ~~state~~ Comptroller shall at least once each  
15 month issue a warrant on the funds collected under this  
16 division payable to the Department of Revenue for the amount  
17 of the charges as determined by the Commissioner of Revenue.

18 "(e) The Department of Revenue shall not charge a  
19 fee to the municipality, city, or town for the cost of filing,  
20 payment processing, and remittance services relating to any  
21 tax authorized to be filed under the ONE SPOT system of the  
22 department. References in this subsection to filing, payment  
23 processing, and remittance services shall mean and refer only  
24 to the ONE SPOT system to file and pay taxes authorized to be  
25 filed thereunder, and shall not include the collection and  
26 administration of local taxes as defined in Section  
27 11-3-11.3(i).

1           "(f) The Department of Revenue shall make available  
2 to those localities for which it administers the taxes imposed  
3 pursuant to this section the same services that are made  
4 available to municipal governments pursuant to this division  
5 and Article 3, commencing with Section 11-51-200, of this  
6 chapter.

7           "(g) For the purpose of this section, the terms  
8 collection and administration shall be defined using the  
9 definition provided for in Section 11-3-11.3(i), Code of  
10 Alabama 1975.

11           "§11-51-208.

12           "(a) Municipalities may, upon request of the  
13 municipal governing body, engage the Department of Revenue to  
14 collect and administer their municipal sales, use, rental, and  
15 lodgings tax. Subject to subsections (c) and (d), the  
16 Department of Revenue shall collect and administer the  
17 municipal sales, use, rental, and lodgings tax on behalf of  
18 the requesting municipality. The Department of Revenue shall  
19 prepare and distribute reports, forms, and other information  
20 as may be necessary to provide for the collection and  
21 administration of any municipal tax it collects and  
22 administers and, on request, shall make all reports available  
23 for inspection by the governing body of the municipality. In  
24 collecting and administering a municipal sales, use, rental,  
25 or lodgings tax, the department shall have all the authority  
26 and duties as it has in connection with the collection and  
27 administration of the corresponding state tax including,

1 without limitation, the provisions of Chapters 2A, 12, 23, and  
2 26 of Title 40.

3 "(b) (1) The Commissioner of Revenue shall deposit  
4 into the State Treasury all municipal taxes collected and, on  
5 a biweekly basis, shall certify to the ~~state~~ Comptroller the  
6 amount of taxes collected for the approximate two-week period  
7 immediately preceding the certification and the amount, less  
8 the Department of Revenue's actual cost of collection and  
9 administration, to be distributed to each municipality, which  
10 shall be paid to the treasurer or other custodian of funds of  
11 the municipality within three days after certification  
12 thereof.

13 "(2) The department shall charge each municipality  
14 the actual cost to the department for collecting and  
15 administering its tax. Notwithstanding the preceding sentence,  
16 however, the charge shall not exceed two percent of the amount  
17 collected for each municipality. At least once each month, the  
18 ~~state~~ Comptroller shall issue a warrant to the Department of  
19 Revenue for the collection and administration charges due as  
20 determined by the Commissioner of Revenue. Payment shall be  
21 from funds collected under this section and shall be the  
22 actual cost of collection and administration, not to exceed  
23 two percent of the amount collected for each municipality.  
24 Notwithstanding any other provision of law, the Department of  
25 Revenue shall not charge a fee to the municipality, city, or  
26 town for the cost of filing, payment processing, and  
27 remittance services relating to any tax authorized to be filed

1 under the ONE SPOT system of the department. References in  
2 this subsection to filing, payment processing, and remittance  
3 services shall mean and refer only to the ONE SPOT system to  
4 file and pay taxes authorized to be filed thereunder, and  
5 shall not include the collection and administration of local  
6 taxes as defined in Section 11-3-11.3(i).

7 "(3) Within 60 days after the end of each fiscal  
8 year, the department, in cooperation with the office of the  
9 Examiner of Public Accounts, shall recompute its actual costs  
10 for collection and administration of municipal taxes for the  
11 preceding fiscal year. Any collection and administration  
12 over-charge shall be redistributed to the municipalities for  
13 which the department collects and administers local taxes, on  
14 a pro rata basis of each municipality's receipts. No  
15 undercharge shall be recovered, either directly or indirectly,  
16 from any municipality.

17 "(c) Except where the department is collecting on  
18 July 1, 1998, any municipality which has a tax levy that will  
19 be collected and administered by the Department of Revenue  
20 pursuant to the provisions of this section shall forward a  
21 certified copy of the enabling act, ordinance, or resolution  
22 to the department at least ~~30~~ 60 days prior to the first day  
23 of the first month on which the department is to begin  
24 collecting and administering the tax.

25 "(d) A new levy, or a levy changed by an amendment  
26 of a heretofore adopted levy, which will be collected and  
27 administered under this section shall not be subject to

1 collection and administration by the Department of Revenue  
2 until the first day of the month next following the expiration  
3 of ~~30~~ 60 days after receipt by the department of a certified  
4 copy of the enabling act, ordinance, or resolution with any  
5 amendments thereto.

6 "(e) Subject to the provisions of this section, the  
7 Department of Revenue shall from time to time issue such rules  
8 and regulations for making returns and for ascertainment,  
9 assessment, collection, and administration of taxes subject to  
10 the provisions of this section as it may deem necessary to  
11 enforce its provisions and shall furnish any county or  
12 municipal governing body with a copy of those rules and  
13 regulations within 15 days of final adoption. Upon request,  
14 the Department of Revenue shall furnish any taxpayer with a  
15 copy of those rules and regulations.

16 "(f) Any self-administered municipal governing body,  
17 as defined in ~~Section 40-2A-3(20)~~ Section 40-2A-3(21), may  
18 elect, by the adoption of an ordinance or resolution, to  
19 assess interest on any tax delinquency. Any such assessment of  
20 interest shall be consistent with the provisions of Section  
21 40-23-2.1. Any self-administered municipal governing body may  
22 also elect, by the adoption of an ordinance or resolution, to  
23 pay interest on any refund of tax erroneously paid. In the  
24 event that the governing body elects to assess interest on any  
25 tax delinquency, the governing body must also elect to pay  
26 interest, at the same rate charged by the municipality on tax  
27 delinquencies, on any refund of tax erroneously paid. Unless

1 otherwise specified in the ordinance or resolution in which  
2 the municipal governing body elects to assess and pay interest  
3 determined in accordance with Section 40-1-44, the applicable  
4 interest rate to be charged by or due from the municipality  
5 shall be one percent per month. References in this subsection  
6 to "erroneously paid" taxes on which interest shall be due to  
7 the taxpayer shall only mean and refer to taxes erroneously  
8 paid to the self-administered municipality or its agent as a  
9 result of any error, omission, or inaccurate advice by or on  
10 behalf of the self-administered municipality, including in  
11 connection with a prior examination of its books and records  
12 by the self-administered municipality or its agent.

13 "(g) Notwithstanding subsection (f), the applicable  
14 interest rate to be assessed on any tax delinquency or paid on  
15 any refund of erroneously paid taxes with respect to all  
16 municipal sales, use, rental, and lodgings tax levies  
17 collected and administered by the Department of Revenue shall  
18 be determined in accordance with Section 40-1-44.

19 "(h) For the purpose of this section, the terms  
20 collection and administration shall be defined using the  
21 definition provided for in Section 11-3-11.3(i), Code of  
22 Alabama 1975.

23 "§11-51-210.

24 "(a) By December 31, 1998, the Department of Revenue  
25 shall develop and promulgate in the form of a proposed agency  
26 rule a standard multi-jurisdictional tax form and a singular  
27 jurisdictional tax form for the reporting and payment of

1 municipal and county sales, use, rental, and lodgings taxes  
2 for those municipalities and counties for which the department  
3 serves as the collecting agent from time to time.

4 "(b) By December 31, 1998, a committee consisting of  
5 three representatives appointed by the Alabama League of  
6 Municipalities (ALM), who shall be municipal employees,  
7 officials, or attorneys, and three representatives appointed  
8 by the Association of County Commissions of Alabama (ACCA),  
9 who shall be county employees, officials, or attorneys, shall  
10 develop a standard multiple jurisdictional tax form and a  
11 singular jurisdictional tax form for the reporting and payment  
12 of all county and municipal sales, use, rental, and lodgings  
13 taxes for all counties and municipalities, except  
14 municipalities and counties that levy a gross receipts tax in  
15 the nature of a sales tax, as defined in Section 40-2A-3(8),  
16 that elects to be self-administered, as defined in Section  
17 40-2A-3(21), from time to time. The committee shall also  
18 establish procedures for issuance of an amended form to take  
19 into account any new levies or changes in the tax rate or the  
20 law. Once the form and procedures are developed by the  
21 committee, they shall be distributed for comment to all  
22 counties and municipalities, the Business Council of Alabama,  
23 the Alabama Retail Association, the Alabama Chapter of the  
24 National Federation of Independent Business, and the  
25 Department of Revenue. Comments shall be returned to the  
26 committee within 45 days. Following the close of the comment  
27 period, the committee shall adopt a standard form and the



1 procedures for issuance of an amended form. The form and  
2 procedure shall thereafter be distributed to self-administered  
3 counties and municipalities with instructions that the  
4 standard form shall be used by each self-administered county  
5 and municipality.

6 "(c) On and after the first day of the third month  
7 following the adoption of the standard tax forms prescribed by  
8 subsection (a) and subsection (b), all municipalities and  
9 counties administered by the department, and all  
10 self-administered counties and municipalities, respectively,  
11 shall accept the applicable form without material variation.  
12 Subsequent changes to the form prescribed by subsection (b)  
13 shall be effected in compliance with the procedures developed  
14 by the committee. Any change in the tax rate shall take effect  
15 without regard to the form in use.

16 "(d) Other than a self-administered county or  
17 municipality that levies a gross receipts tax in the nature of  
18 a sales tax, as defined in Section 40-2A-3(8), any county or  
19 municipality levying or administering any one or more sales,  
20 use, rental, or lodgings taxes shall accept, for reporting and  
21 payment of taxes due that county or municipality, bulk  
22 submissions of reports and, under regulations to be  
23 promulgated by the self-administered county or municipality  
24 affected, payments owed to such county or municipality made on  
25 behalf of a taxpayer by its properly authorized representative  
26 where such submissions are made using the appropriate form  
27 developed under this section. Any such bulk submissions or

1 reports and payments shall include the municipality's or  
2 county's assigned identification number for each such taxpayer  
3 and vendee for each tax paid and contain sufficiently detailed  
4 information by which each taxpayer and each vendee can be  
5 identified such that a determination can be made as to the  
6 amount and method of assessment of tax against such taxpayer  
7 and vendee for the applicable county or municipality. The  
8 acceptance by a county or municipality of such bulk  
9 submissions shall not relieve the taxpayer on whose behalf  
10 such submissions were made from liability for any sales, use,  
11 rental, or lodgings tax arising from an error or omission made  
12 by the taxpayer's representative. Any self-administered county  
13 or municipality accepting such bulk submission may require  
14 that the submission be signed by the taxpayer or its properly  
15 authorized representative.

16 "(e) By June 30, 1998, every county and municipality  
17 levying or administering a sales, use, rental, lodgings,  
18 tobacco, gasoline, or ad valorem tax as of June 1, 1998, shall  
19 submit to the Department of Revenue a list of the taxes then  
20 levied or administered by that county or municipality and the  
21 current rates thereof. Thereafter, every county and  
22 municipality levying or administering a new sales, use,  
23 rental, lodgings, tobacco, gasoline, or ad valorem tax or  
24 amending an existing sales, use, rental, lodgings, tobacco,  
25 gasoline, or ad valorem tax levy shall submit to the  
26 department written notification of the new tax levy or the  
27 amendment of an existing tax levy, in a manner as prescribed

1 by the department, at least 30 60 days prior to the effective  
2 date of the tax or amendment. The department shall send return  
3 confirmation of the notification of the tax levy or amendment  
4 of an existing tax levy to the county or municipality no later  
5 than the first day of the second month following receipt of  
6 proper notification by the county or municipality to the  
7 department. The effective date of the tax levy or amendment of  
8 an existing tax levy shall be the first day of the third month  
9 following the department's receipt of proper notification as  
10 required herein. However, failure to notify the department, as  
11 required by this subsection, shall not invalidate the levy of  
12 the tax but shall relieve the taxpayer of liability for having  
13 charged and collected an incorrect rate as provided herein.  
14 The department shall compile this information into a ~~written~~  
15 publication which shall be published ~~and issued~~ on a monthly  
16 basis to each municipal and county governing authority,  
17 private auditing firm, as defined in Section 40-2A-3(17), and  
18 to others who have so requested the publication. This ~~written~~  
19 publication shall provide a then current listing of each  
20 county and municipality levying or administering a sales, use,  
21 rental, lodgings, tobacco, gasoline, or ad valorem tax and the  
22 current rate thereof. Beginning March 1, 2017, any taxpayer  
23 collecting sales, use, rental, or lodgings tax in compliance  
24 with the tax rates published by the department as required by  
25 this subsection shall be relieved from liability to Alabama  
26 and its local jurisdictions for having charged and collected  
27 an insufficient rate based upon the rate published by the

1 department. If the rate published by the department and relied  
2 upon by the taxpayer is less than the actual rate provided on  
3 the return confirmation provided to the county or municipality  
4 as required by this subsection, the department shall be  
5 responsible to the local jurisdiction for reimbursement of the  
6 amount due as a result of the difference between the published  
7 rate and that actual rate as provided to the department. The  
8 liability is only applicable for a period not to exceed one  
9 year from the date the incorrect rate was published by the  
10 department. Notwithstanding the preceding requirement, if a  
11 county or municipality fails to properly notify the department  
12 of a new levy or amendment to an existing levy, the department  
13 shall be relieved from liability to the local jurisdiction for  
14 having charged and collected an insufficient amount of tax  
15 based upon the rates published by the department. Proper  
16 notification of a new levy or amendment to an existing levy  
17 shall be in a manner as prescribed by the department. A  
18 ~~taxpayer shall not be relieved of liability for the proper~~  
19 ~~amount of taxes owed even though the published tax rate or~~  
20 ~~levy was in error.~~ However, no penalties or interest for late  
21 payment or underpayment of taxes shall begin to accrue until  
22 the proper tax rate or levy has been on file at the department  
23 for at least ~~30~~ 60 days, unless the taxpayer had actual  
24 knowledge of the correct tax rate or levy as of an earlier  
25 date.

26 "(f) For the purpose of this section, the terms  
27 collection and administration shall be defined using the

1 definition provided for in Section 11-3-11.3(i), Code of  
2 Alabama 1975.

3 "§40-12-4.

4 "(a) In order to provide funds for public school  
5 purposes, the governing body of each of the several counties  
6 in this state is hereby authorized by ordinance to levy and  
7 provide for the assessment and collection of franchise, excise  
8 and privilege license taxes with respect to privileges or  
9 receipts from privileges exercised in such county, which shall  
10 be in addition to any and all other county taxes heretofore or  
11 hereafter authorized by law in such county. Such governing  
12 body may, in its discretion, submit the question of levying  
13 any such tax to a vote of the qualified electors of the  
14 county. If such governing body submits the question to the  
15 voters, then the governing body shall also provide for holding  
16 and canvassing the returns of the election and for giving  
17 notice thereof. All the proceeds from any tax levied pursuant  
18 to this section less the cost of collection and administration  
19 thereof shall be used exclusively for public school purposes,  
20 including specifically and without limitation capital  
21 improvements and the payment of debt service on obligations  
22 issued therefor.

23 "(b) Notwithstanding anything to the contrary  
24 herein, ~~said~~ the governing body shall not levy any tax  
25 hereunder measured by gross receipts, except a sales or use  
26 tax which parallels, except for the rate of tax, that imposed  
27 by the state under this title. Any such sales or use tax on

1 any automotive vehicle, truck trailer, trailer, semitrailer,  
2 or travel trailer required to be registered or licensed with  
3 the probate judge, where not collected by a licensed Alabama  
4 dealer at time of sale, shall be collected and fees paid in  
5 accordance with the provisions of Sections 40-23-104 and  
6 40-23-107, respectively. No such governing body shall levy any  
7 tax upon the privilege of engaging in any business or  
8 profession unless such tax is levied uniformly and at the same  
9 rate against every person engaged in the pursuit of any  
10 business or profession within the county; except, that any tax  
11 levied hereunder upon the privilege of engaging in any  
12 business or profession may be measured by the number of  
13 employees of such business or the number of persons engaged in  
14 the pursuit of such profession. In all counties having more  
15 than one local board of education, revenues collected under  
16 the provisions of this section shall be distributed within  
17 such county on the same basis of the total calculated costs  
18 for the Foundation Program for those local boards of education  
19 within the county.

20 "(c) For the purpose of this section, the terms  
21 collection and administration shall be defined using the  
22 definition provided for in Section 11-3-11.3(i), Code of  
23 Alabama 1975.

24 "§40-12-7.

25 "(a) All such taxes collected and administered by  
26 the Department of Revenue shall be collected and remitted to  
27 the governing bodies of the various counties in the manner as

1 provided for the collection and administration of taxes for  
2 cities or towns as provided in Sections 11-51-180 through  
3 11-51-185, and the Department of Revenue is authorized to  
4 charge the counties for collecting and administering ~~said the~~  
5 taxes its actual cost, not to exceed ~~five~~ two percent of the  
6 amount collected, and to do any and all things pertaining to  
7 the collection and administration of ~~said the~~ taxes for the  
8 various counties as ~~said the~~ department is authorized to do in  
9 collecting and administering taxes for cities and towns as  
10 provided in Sections 11-51-180 through 11-51-185.

11 "(b) For the purpose of this section, the terms  
12 collection and administration shall be defined using the  
13 definition provided for in Section 11-3-11.3(i), Code of  
14 Alabama 1975."

15 Section 2. Section 11-51-210.1, is added to the Code  
16 of Alabama 1975, to read as follows.

17 §11-51-210.1.

18 No later than October 1, 2016, the department shall  
19 send notice to every county or municipality levying a sales,  
20 use, rental, or lodgings tax regarding the rates of such taxes  
21 according to the records held by the department. Each county  
22 and municipality shall notify the department of an existing  
23 erroneous rate published by the department no later than  
24 December 1, 2016. The county or municipality notifying the  
25 department of such rate error shall send written confirmation,  
26 on county or municipal letterhead, to the department listing  
27 the erroneous rate published by the department and the

1 corrected rate along with supporting ordinances, resolutions,  
2 or documentation. If the county or municipality fails to  
3 respond to the department regarding an erroneously published  
4 rate pursuant to this section, the taxpayer shall be relieved  
5 from liability to the local jurisdiction for having charged  
6 and collected an insufficient amount of tax on or after March  
7 1, 2017, based upon the rates published by the department on  
8 March 1, 2017. Should the county or municipality properly  
9 respond and notify the department regarding the erroneously  
10 published rate, and the rate published by the department and  
11 relied upon by the taxpayer is in conflict with the response  
12 provided by the county or municipality as required by this  
13 section, the department shall be responsible to the local  
14 jurisdiction for reimbursement of the amount due as a result  
15 of the difference between the published rate and the actual  
16 rate as provided to the department. Such liability shall only  
17 be applicable for a period, not to exceed one year, from the  
18 date the incorrect rate was published by the department.

19 Section 3. Section 1 of this act shall become  
20 effective on March 1, 2017, following its passage and approval  
21 by the Governor, or its otherwise becoming law. Section 2 of  
22 this act shall become effective immediately following its  
23 passage and approval by the Governor, or its otherwise  
24 becoming law.