

1 SB305
2 174737-1
3 By Senator Chambliss
4 RFD: Fiscal Responsibility and Economic Development
5 First Read: 01-MAR-16

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8 SYNOPSIS: Existing law does not provide penalties
9 against a taxpayer who presents a money order or
10 electronic funds which are not honored for payment
11 as payment for his or her tax liability.

12 This bill, with certain exceptions, would
13 provide for the imposition of penalties against a
14 taxpayer who presents as payment for his or her tax
15 liability a money order or electronic funds which
16 are not honored for payment.

17
18 A BILL
19 TO BE ENTITLED
20 AN ACT

21
22 To amend Section 40-29-70, Code of Alabama 1975, to
23 provide for the imposition of penalties against a taxpayer who
24 presents as payment for his or her tax liability a money order
25 or electronic funds which are dishonored for payment.

26 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

1 Section 1. Section 40-29-70, Code of Alabama 1975,
2 is amended to read as follows:

3 "§40-29-70.

4 "If any check, ~~or~~ money order, or electronic funds
5 in payment of any amount receivable ~~under this title for~~
6 payment of taxes under any provision of law is not duly paid,
7 in addition to any other penalties provided by law, there
8 shall be paid as a penalty by the person who tendered such
9 check, money order, or electronic funds, upon notice and
10 demand by the commissioner, ~~or~~ his or her delegate, or other
11 taxing authority, in the same manner as tax, an amount equal
12 to 10 percent of the amount of such check, money order, or
13 electronic funds, except that if the amount of such check,
14 money order, or electronic funds is less than ~~\$500~~ five
15 hundred dollars (\$500), the penalty under this section shall
16 be ~~\$10~~ ten dollars (\$10) or the amount of such check, money
17 order, or electronic funds, whichever is the lesser. This
18 section shall not apply if the person tendered such check,
19 money order, or electronic funds in good faith and with
20 reasonable cause to believe that it would be duly paid, ~~or~~ and
21 settlement is made by the taxpayer within 10 days after
22 notification of receipt of a bad check, money order, or
23 nonpayable electronic funds by the department."

24 Section 2. This act shall become effective on the
25 first day of the third month following its passage and
26 approval by the Governor, or its otherwise becoming law.