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3 SENATE FR&ED COMMITTEE SUBSTITUTE FOR SB85
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8 SYNOPSIS: Under existing law, an occupational license
9 tax based on income may be levied by a municipality
10 on certain persons gainfully employed in the
11 municipality.

12 This bill would provide that if an
13 AdvantageSite economic development site or other
14 industrial development site that employs 50 or more
15 employees is annexed by a municipality or is
16 located in the police jurisdiction of a
17 municipality, an employee employed on the site
18 would not be subject to any occupational license
19 tax.

20 The bill would also prohibit any
21 municipality from increasing any existing
22 occupational license tax unless authorized by local
23 law.
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25 A BILL
26 TO BE ENTITLED
27 AN ACT

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2 Relating to municipal occupational license taxes; to
3 add Sections 11-51-91.1 and 11-51-91.2 to the Code of Alabama
4 1975, to provide that employees employed on an AdvantageSite
5 industrial development site or any other industrial
6 development site under certain conditions would not be subject
7 to a municipal occupational license tax; and to freeze the
8 rate of a municipal occupational license tax except under
9 certain conditions.

10 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

11 Section 1. Section 11-51-91.1 is added to the Code
12 of Alabama 1975, to read as follows:

13 §11-51-91.1.

14 (a) (1) For the purposes of this section, the term
15 "advantage economic development site" means an industrial
16 development site designated as an AdvantageSite pursuant to a
17 voluntary program managed by the Economic Development
18 Partnership of Alabama and sponsored in part by the Alabama
19 Department of Commerce.

20 (2) If any advantage economic development site or
21 any other industrial development site that employs 50 or more
22 employees is annexed by a municipality or located in the
23 police jurisdiction of a municipality, notwithstanding the
24 provisions of Section 11-51-90, an employee employed on the
25 advantage economic development site shall not be subject to
26 any occupational license tax based on the income of the
27 employee or otherwise levied by the municipality.

1 Section 2. Section 11-51-91.2 is added to the Code
2 of Alabama 1975, to read as follows:

3 §11-51-91.2

4 (a) Except as provided in subsections (b) and (c),
5 no municipality may increase the rate of an occupational or
6 license tax on any natural person derived from the conduct of
7 a vocation, occupation, calling, or profession within the
8 municipality.

9 (b) The Legislature, by local law, may authorize a
10 municipality to increase the rate of an occupational or
11 license tax on any natural person derived from the conduct of
12 a vocation, occupation, calling, or profession within the
13 municipality.

14 (c) This section shall not affect the rate of an
15 existing municipal occupational tax in effect prior to
16 February 1, 2020, except the rate of an existing municipal
17 occupational tax in effect on February 1, 2020, may only be
18 increased if authorized by a local law.

19 Section 3. This act shall become effective
20 immediately following its passage and approval by the
21 Governor, or its otherwise becoming law.