

1 SB85
2 203928-1
3 By Senator Jones
4 RFD: Fiscal Responsibility and Economic Development
5 First Read: 04-FEB-20
6 PFD: 02/03/2020

SYNOPSIS: Under existing law, an occupational license tax based on income may be levied by a municipality on certain persons gainfully employed in the municipality.

This bill would provide that if an AdvantageSite economic development site is annexed by a municipality or is located in the police jurisdiction of a municipality, an employee employed on the site would not be subject to any occupational license tax.

The bill would also prohibit any municipality from levying a new occupational license tax or increasing any existing occupational license tax.

A BILL
TO BE ENTITLED
AN ACT

1 Relating to municipal occupational license taxes; to
2 add Section 11-51-91.1 to the Code of Alabama 1975, to provide
3 that employees employed on an AdvantageSite industrial
4 development site would not be subject to a municipal
5 occupational license tax; and to freeze the levy and rate of a
6 municipal occupational license tax.

7 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

10 §11-51-91.1.

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

17 (2) If any advantage economic development site is
18 annexed by a municipality or located in the police
19 jurisdiction of a municipality, notwithstanding the provisions
20 of Section 11-51-90, an employee employed on the advantage
21 economic development site shall not be subject to any
22 occupational license tax based on the income of the employee
23 or otherwise levied by the municipality.

24 (b) After the effective date of this section,
25 notwithstanding the provisions of Section 11-51-90, no
26 municipality may levy a new occupational license tax on any
27 person engaging in any occupation or increase the rate on any

1 occupational license tax on any person engaging in any
2 occupation levied prior to the effective date of this act.

3 Section 2. This act shall become effective
4 immediately following its passage and approval by the
5 Governor, or its otherwise becoming law.