

2
3 HOUSE WAYS AND MEANS EDUCATION COMMITTEE SUBSTITUTE FOR HB126
4
5
6
7

8 SYNOPSIS: Under current law, certain persons or
9 entities are exempt from the payment of state,
10 county, or local sales, use, rental, or lodgings
11 taxes.

12 This bill would provide that certain persons
13 or companies that are statutorily exempt that have
14 not obtained a certificate of exemption since
15 January 1, 2016, shall no longer be entitled to the
16 statutory exemption.

17 This bill would clarify that the exemption
18 from payment of taxes does not exempt the person or
19 company from its obligation to collect, report, and
20 remit to a taxing authority taxes which are
21 otherwise due by third parties.
22

23 A BILL
24 TO BE ENTITLED
25 AN ACT
26

1 Relating to taxation; to provide that persons or
2 companies that are statutorily exempt that have not obtained a
3 certificate of exemption from the Department of Revenue since
4 January 1, 2016, shall no longer be entitled to the statutory
5 exemption; to provide that an exemption provided from the
6 payment of taxes shall not exempt the person or company from
7 its obligation to collect, report, and remit to a taxing
8 authority taxes which are otherwise due by third parties.

9 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

10 Section 1. Section 40-9-62 is added to the Code of
11 Alabama 1975, to read as follows:

12 §40-9-62.

13 (a) Effective January 1, 2022, any person or company
14 that is provided an exemption from sales, use, rental, or
15 lodgings taxes pursuant to Article 1, Chapter 9 of Title 40,
16 or Section 40-23-5, other than governmental entities as
17 defined in subdivision (a)(1) of Section 40-9-60, that has not
18 obtained a certificate of exemption from the Department of
19 Revenue pursuant to Section 40-9-60 since January 1, 2016,
20 shall no longer be entitled to the statutory exemption
21 provided.

22 (b) Beginning January 1, 2023, and each year
23 thereafter, any person or company subject to the requirements
24 of Section 40-9-60, that has not renewed its exemption
25 certificate during the previous five years shall no longer be
26 entitled to the statutory exemption.

1 (c) Notwithstanding any other provision, unless
2 expressly provided to the contrary, an exemption provided from
3 the payment of taxes shall not exempt the person or company
4 from its obligation to collect, report, and remit to a taxing
5 authority taxes which are otherwise due by third parties.

6 Section 2. The Department of Revenue may adopt rules
7 for the implementation and administration of this act.

8 Section 3. This act shall be effective immediately
9 upon passage and approval by the Governor, or its otherwise
10 becoming law.