

HB77 ENROLLED



1 L6TDAY-2
2 By Representative Garrett
3 RFD: Ways and Means Education
4 First Read: 07-Mar-23
5 2023 Regular Session



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1 Enrolled, An Act,

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4 Relating to sales tax; to amend Section 40-23-7, as
5 last amended by Section 5 of Act 2022-53 of the 2022 Regular
6 Session, Code of Alabama 1975, to provide for an increase in
7 the amount of the average monthly sales tax liability for
8 required estimated payments.

9 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

10 Section 1. Section 40-23-7, as last amended by Section
11 5 of Act 2022-53 of the 2022 Regular Session, Code of Alabama
12 1975, is amended to read as follows:

13 "§40-23-7

14 (a) The taxes levied under this division, except as
15 otherwise provided in subsection (d), shall be due and payable
16 in monthly installments on or before the 20th day of the month
17 next succeeding the month in which the tax accrues.

18 (b) Except as otherwise provided in subsection (d), on
19 or before the 20th day of each month, every person on whom the
20 taxes levied by this division are imposed shall report to the
21 department, on a form prescribed by the department, a true and
22 correct statement showing such information as the department
23 may require, and shall pay to the department the amount of
24 taxes shown to be due.

25 (c) Any taxpayer liable for taxes under this division
26 whose average monthly state sales tax liability was ~~five~~
27 ~~thousand dollars (\$5,000)~~ twenty thousand dollars (\$20,000) or
28 greater during the preceding calendar year shall make



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29 estimated payments to the department on or before the 20th day
30 of the month in which the liability occurs as follows:

31 (1) The amount of the first estimated payment shall be
32 66 2/3 percent of the taxpayer's actual tax liability for the
33 month of October 1983; thereafter the amounts of the payment
34 shall be the lesser of 66 2/3 percent of the taxpayer's actual
35 tax liability for the same calendar month of the preceding
36 year or 66 2/3 percent of the current month's estimated
37 liability.

38 (2) Any outstanding credit or deficit arising from the
39 taxpayer's overpayment or underpayment of his or her final
40 liability shall be applied to either increase or reduce that
41 month's final tax liability which shall be reported and paid
42 not later than the 20th day of the month next succeeding the
43 month in which the tax accrues.

44 (3) This subsection shall not apply to Sections
45 11-51-180, 11-51-200, 40-12-4, nor to any municipal or county
46 taxes levied by past or future special or local acts of the
47 Legislature.

48 (d) Taxpayers meeting the criteria set forth in this
49 subsection may elect to file quarterly, semi-annually, or
50 annually. Any election to file quarterly, semi-annually, or
51 annually shall be made in writing no later than February 20 of
52 each year and shall be filed with the department in the manner
53 prescribed by the department. Qualifying taxpayers electing to
54 file quarterly, semi-annually, or annually, shall report to
55 the department, on a form prescribed by the department, a true
56 and correct statement showing such information as the



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57 department may require. Qualifying taxpayers shall pay to the
58 department the amount of tax shown to be due on or before the
59 applicable deadlines, under any rules as may be prescribed, as
60 follows:

61 (1) When the total state sales tax for which any person
62 is liable under this division is less than \$2,400 during the
63 preceding calendar year, the person may elect to file
64 quarterly returns. Quarterly returns and payments of the
65 amount of tax shown to be due shall be due on or before the
66 20th day of the month next succeeding the end of the quarter
67 for which the tax is due.

68 (2) When the total state sales tax for which any person
69 is liable under this division is less than \$1,200 during the
70 preceding calendar year, or the person liable for the tax has
71 made retail sales in this state during no more than two, 30
72 consecutive day periods during the preceding calendar year,
73 the person may file semi-annual returns. The semi-annual
74 returns and payment of the amount of the tax shown to be due
75 shall be due on or before July 20 and January 20 following the
76 end of the six-month period for which the tax is due.

77 (3) When the total state sales tax for which any person
78 is liable under this division during the preceding calendar
79 year is less than six hundred dollars (\$600), or the person
80 liable for the tax has made retail sales in this state during
81 no more than one, 30 consecutive day period during the
82 preceding calendar year, the person may elect to file an
83 annual return. The annual return and payment of the tax shown
84 to be due shall be due on or before January 20 following the



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85 end of the annual period for which the tax is due.

86 (e) The department, for good cause, may extend the time
87 for making any state or state-administered return required
88 under this division, but the time for filing any such return
89 shall not be extended for a period greater than 30 days from
90 the date such return is due to be made."

91 Section 2. This act shall become effective October 1,
92 2023, following its passage and approval by the Governor, or
93 its otherwise becoming law.



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Speaker of the House of Representatives

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in and was passed by the House 20-Apr-23.

John Treadwell
Clerk

Senate 31-May-23

Passed