

HB77 INTRODUCED



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

Under existing law, a sales tax licensee whose average monthly state sales tax liability was \$5,000 or greater during the preceding calendar year is required to make estimated payments.

This bill would increase the average monthly state sales tax liability threshold calculation to \$20,000 or greater during the preceding calendar year for required estimated payments.

A BILL
TO BE ENTITLED
AN ACT

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

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

"§40-23-7



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

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

40 (c) Any taxpayer liable for taxes under this division
41 whose average monthly state sales tax liability was ~~five~~
42 ~~thousand dollars (\$5,000)~~ twenty thousand dollars (\$20,000) or
43 greater during the preceding calendar year shall make
44 estimated payments to the department on or before the 20th day
45 of the month in which the liability occurs as follows:

46 (1) The amount of the first estimated payment shall be
47 $66 \frac{2}{3}$ percent of the taxpayer's actual tax liability for the
48 month of October 1983; thereafter the amounts of the payment
49 shall be the lesser of $66 \frac{2}{3}$ percent of the taxpayer's actual
50 tax liability for the same calendar month of the preceding
51 year or $66 \frac{2}{3}$ percent of the current month's estimated
52 liability.

53 (2) Any outstanding credit or deficit arising from the
54 taxpayer's overpayment or underpayment of his or her final
55 liability shall be applied to either increase or reduce that
56 month's final tax liability which shall be reported and paid



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57 not later than the 20th day of the month next succeeding the
58 month in which the tax accrues.

59 (3) This subsection shall not apply to Sections
60 11-51-180, 11-51-200, 40-12-4, nor to any municipal or county
61 taxes levied by past or future special or local acts of the
62 Legislature.

63 (d) Taxpayers meeting the criteria set forth in this
64 subsection may elect to file quarterly, semi-annually, or
65 annually. Any election to file quarterly, semi-annually, or
66 annually shall be made in writing no later than February 20 of
67 each year and shall be filed with the department in the manner
68 prescribed by the department. Qualifying taxpayers electing to
69 file quarterly, semi-annually, or annually, shall report to
70 the department, on a form prescribed by the department, a true
71 and correct statement showing such information as the
72 department may require. Qualifying taxpayers shall pay to the
73 department the amount of tax shown to be due on or before the
74 applicable deadlines, under any rules as may be prescribed, as
75 follows:

76 (1) When the total state sales tax for which any person
77 is liable under this division is less than \$2,400 during the
78 preceding calendar year, the person may elect to file
79 quarterly returns. Quarterly returns and payments of the
80 amount of tax shown to be due shall be due on or before the
81 20th day of the month next succeeding the end of the quarter
82 for which the tax is due.

83 (2) When the total state sales tax for which any person
84 is liable under this division is less than \$1,200 during the



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85 preceding calendar year, or the person liable for the tax has
86 made retail sales in this state during no more than two, 30
87 consecutive day periods during the preceding calendar year,
88 the person may file semi-annual returns. The semi-annual
89 returns and payment of the amount of the tax shown to be due
90 shall be due on or before July 20 and January 20 following the
91 end of the six-month period for which the tax is due.

92 (3) When the total state sales tax for which any person
93 is liable under this division during the preceding calendar
94 year is less than six hundred dollars (\$600), or the person
95 liable for the tax has made retail sales in this state during
96 no more than one, 30 consecutive day period during the
97 preceding calendar year, the person may elect to file an
98 annual return. The annual return and payment of the tax shown
99 to be due shall be due on or before January 20 following the
100 end of the annual period for which the tax is due.

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

106 Section 2. This act shall become effective October 1,
107 2023, following its passage and approval by the Governor, or
108 its otherwise becoming law.