

HB258 INTRODUCED



1 HB258
2 N75688J-1
3 By Representative England
4 RFD: Ways and Means General Fund
5 First Read: 28-Feb-24



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SYNOPSIS:

Under current law, the Simplified Sellers Use Tax Remittance Program allows an eligible seller and marketplace facilitator to voluntarily participate in the program and collect and remit simplified sellers use tax at a rate of eight percent. The proceeds of this tax are distributed 50% to the state and 50% to the local governments of the state.

This bill would levy an additional simplified sellers use tax and provide for the distribution of the proceeds to each municipality and county in the state.

A BILL
TO BE ENTITLED
AN ACT

Relating to the simplified sellers use tax; to add Sections 40-23-193.1 and 40-23-197.2 to the Code of Alabama 1975; to levy an additional simplified sellers use tax; and to provide for the distribution of the proceeds.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. The Legislature finds that the Simplified Sellers Use Tax has taken great strides towards tax fairness



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29 and has opened vast, new marketplaces for Alabama consumers.
30 While the Simplified Sellers Use Tax has benefited Medicaid,
31 care for seniors and children, and helped provide public
32 safety services, it has done so at the expense of Alabama
33 brick-and-mortar businesses on the streets of our cities and
34 towns. The aim of this legislation is to level the playing
35 field and to encourage the longevity of Alabama businesses
36 that employ our citizens and add to the vibrancy of our
37 communities.

38 Section 2. Sections 40-23-193.1 and 40-23-197.2, are
39 added to Chapter 23 of Title 40, Code of Alabama 1975, to read
40 as follows:

41 §40-23-193.1.

42 (a) Notwithstanding any language to the contrary in
43 Section 40-23-193, Code of Alabama 1975, in addition to the
44 tax levied under Section 40-23-193, Code of Alabama 1975,
45 there is levied under the program an additional simplified
46 sellers use tax, equal to the rate calculated in (b), on the
47 sales price on any tangible personal property sold or
48 delivered into Alabama by an eligible seller participating in
49 the program or the sale of which is facilitated by a
50 marketplace facilitator, as defined by Section 40-23-199.2,
51 Code of Alabama 1975.

52 (b) (1) The Department of Revenue shall calculate the
53 rate using the following calculation rounded to the nearest
54 tenth percent and shall publish notice and further establish
55 the rate by administrative rule:

56 (i) The general state sales tax rate set in Section



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57 40-23-2(1), Code of Alabama 1975;

58 PLUS

59 (ii) the sum of the following:

60 A. the average of all county general sales tax rates,
61 levied pursuant to Chapter 3 of Title 11, Code of Alabama
62 1975, as of January 1 of the current calendar year, and

63 B. the average of all municipal general sales tax
64 rates, levied pursuant to Section 11-51-200, Code of Alabama
65 1975, as of January 1 of the current calendar year.

66 LESS

67 (iii) the simplified sellers use tax rate set in
68 Section 40-23-193, Code of Alabama 1975.

69 (2) Prior to September 1, 2029 the Department of
70 Revenue shall recalculate the rate. The new calculated rate
71 shall be effective on September 1, 2029 and shall be adjusted
72 in the same manner to be effective on September first every
73 five years thereafter.

74 (c) The tax levied in this section shall be reported,
75 collected and administered in the same manner as the tax
76 levied in Section 40-23-193, Code of Alabama 1975.

77 §40-23-197.2

78 Notwithstanding any language to the contrary in
79 Sections 40-23-197 and 40-23-197.1, Code of Alabama 1975, all
80 proceeds from the tax levied by Section 40-23-193.1, Code of
81 Alabama 1975, shall be distributed to municipalities and
82 counties as follows:

83 (1) Eighty percent (80%) to each municipality in the
84 state on a prorated basis according to population in the state



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85 as determined in the most recent federal census prior to the
86 distribution.

87 (2) Twenty percent (20%) to each county in the state on
88 a prorated basis according to population as determined in the
89 most recent federal census prior to the distribution.

90 Section 3. This act shall become effective on September
91 1, 2024, only upon the enactment of House Bill __ of the 2024
92 Regular Session, regarding the Alabama Adventure Awaits sales
93 tax holiday.