

1 HB97  
2 155419-5  
3 By Representatives Patterson, Chesteen, Buttram, Baughn,  
4 Wallace, Greer, Long, Johnson (W), Sanderford, Roberts,  
5 Williams (D), Moore (B), Johnson (K), Hammon, Hubbard (M),  
6 Williams (J), McClendon, Nordgren, Butler, Standridge, Shiver,  
7 Shedd, Merrill, Beckman, Tuggle, Hurst, Farley, Brown,  
8 Treadaway, Drake, McClurkin, Faust, Baker, Hill and McMillan  
9 RFD: State Government  
10 First Read: 14-JAN-14  
11 PFD: 01/06/2014

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ENROLLED, An Act,

To add Section 40-1-49 to the Code of Alabama 1975; to require the Department of Revenue, by administrative rule, to suspend collection of certain taxes or fees if the administrative cost of collection is more than the amount collected; to provide exceptions; to provide that no administrative rule suspending collection of a tax or fee shall be applied retroactively; and providing for periodic review of such rules.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 40-1-49 is added to Chapter 1 of Title 40, Code of Alabama 1975, to read as follows:

§40-1-49.

(a) The Department of Revenue, by administrative rule, shall suspend the collection of a tax or fee which it is authorized to collect when the cost of administering the collection of such tax or fee has exceeded the total amount of the tax or fee collected for each of the previous three fiscal years.

Should it be determined that the suspension of a tax or fee collection would result in reduced local revenues, the department shall notify the affected localities prior to filing a notice, pursuant to the Administrative Procedures Act,

1 to promulgate an administrative rule to suspend the tax or fee.

2 (b) Notwithstanding subsection (a), the department  
3 shall not suspend the collection of a tax or fee in any of the  
4 following cases:

5 (1) If such tax or fee is mandated by federal law or  
6 regulation.

7 (2) If discontinuing the collection of such tax or  
8 fee would result in reduced federal funding received from the  
9 federal government that exceeds the state costs of collecting  
10 the tax or fee.

11 (3) If discontinuing the collection of a tax or fee  
12 would result in reduced state and local revenues that exceeds  
13 the state costs of collecting the tax or fee.

14 (4) If suspending collection of the tax or fee would  
15 negatively affect the public health, safety, or welfare.

16 (c) No administrative rule promulgated pursuant to  
17 this section shall be applied retroactively.

18 (d) In accordance with Act 2013-88, also known as  
19 the Red Tape Reduction Act, any rule promulgated pursuant to  
20 this act shall be reviewed not less than every five years.  
21 Should it be determined that the administrative cost of  
22 collecting a tax or fee no longer exceeds the total amount of  
23 tax or fee that could be collected, any corresponding rule  
24 suspending the collection of the tax or fee shall be repealed  
25 by the department.

1                   If such rule is repealed, no tax or fee shall be due  
2                   for any periods for which the rule was in effect.

3                   Section 2. This act shall become effective on the  
4                   first day of the third month following its passage and  
5                   approval by the Governor, or its otherwise becoming law.

