

1 SB245  
2 164676-1  
3 By Senator Orr  
4 RFD: Finance and Taxation General Fund  
5 First Read: 17-MAR-15

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8 SYNOPSIS: Currently, entities which are exempt from  
9 the payment of the state of Alabama sales tax  
10 receive exemption from the state of Alabama sales  
11 tax at purchase. Also, entities that are exempt  
12 from the payment of the state of Alabama sales tax  
13 are not required to submit an annual return with  
14 the Department of Revenue providing information  
15 regarding exempt purchases.

16 This bill would require entities that are  
17 exempt from the payment of the state of Alabama  
18 sales tax to pay the state of Alabama sales tax at  
19 time of purchase and allow such entities to file an  
20 annual return with the Department of Revenue to  
21 receive a refund of only the state of Alabama sales  
22 tax eligible for exemption.

23  
24 A BILL  
25 TO BE ENTITLED  
26 AN ACT  
27

1           To require all entities exempt from payment of the  
2 state of Alabama sales tax to pay the state of Alabama sales  
3 tax at time of purchase; to allow all entities exempt from  
4 payment of the state of Alabama sales tax to file an annual  
5 return to the Department of Revenue; to require the Department  
6 of Revenue to promulgate rules; and to provide an effective  
7 date.

8 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

9           Section 1. (a) All entities, including but not  
10 limited to those listed in Title 40, Chapter 23 of the Code of  
11 Alabama 1975, exempt from payment of the state of Alabama  
12 sales tax shall be required to pay the state of Alabama sales  
13 tax at time of purchase.

14           (b) All entities, including but not limited to those  
15 listed in Title 40, Chapter 23 of the Code of Alabama 1975,  
16 exempt from the payment of the state of Alabama sales tax may  
17 electronically file a return annually with the Department of  
18 Revenue by January 20 of each year. The Return shall provide  
19 the amount of gross sales that are deemed exempt from the  
20 state of Alabama sales tax, with documentation deemed  
21 appropriate by the Department of Revenue, for the most  
22 recently completed calendar year to receive a refund in the  
23 amount of only the state of Alabama sales tax eligible for  
24 exemption.

25           (c) This section shall be operative and the first  
26 annual return filed by January 20, 2017 to include the 2016  
27 calendar year.

1                   (d) The Department of Revenue shall adopt rules to  
2 implement this section prior to January 1, 2016.

3                   Section 2. This act shall become effective  
4 immediately following its passage and approval by the  
5 Governor, or its otherwise becoming law.