January 5, 2009

To the Legislature of Alabama:

This is the sixteenth edition of a publication that the Legislative Fiscal Office first completed in January of 1979. The book is intended as a reference source for the most basic information about Alabama's taxes and revenues.

This publication involved the entire staff of the Legislative Fiscal Office. Kirk Fulford directed the project and was responsible for writing the final edition. The research and data collection was accomplished by the staff analysts.

The primary sources used in compiling this information were the Code of Alabama 1975, the Acts of Alabama, and the Commerce Clearing House's State Tax Guide. The data for revenue collections was obtained primarily from the Department of Revenue's Revenue Abstract reports and revenue reports issued by the Department of Finance.

Except where noted, all references to years concern fiscal years. The fiscal years of the neighboring states cited cover the period July 1 through June 30, while Alabama's fiscal year extends from October 1 through September 30.

We would appreciate your suggestions as to how we might make future editions of more value to you.

Sincerely,

Joyce Bigbee
Director

JB:dj

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PART 1

ABANDONED PROPERTY ACT

CONSTITUTIONAL PROVISION:

Section 258 of the Constitution of Alabama of 1901, as amended by Amendment No. 111

Provided that the estates of deceased persons who die without leaving a will or heir shall be applied to the maintenance of the public schools. Amendment 111 (proposed by Act 56-82, 1st Ex. Sess. and proclaimed ratified September 7, 1956) replaced reference to "maintenance of the public schools" with "the furtherance of education."

STATUTORY AUTHORITY:

Sections 35-12-70 through 35-12-96 Code of Alabama 1975, as amended.

DESCRIPTION:

This revenue source is not a tax but a provision for the orderly disposition of unclaimed or abandoned property. Every person or entity holding funds or other property, tangible or intangible, presumed abandoned must file a report with and deliver the property to the state treasurer. This property includes, but is not limited to, monies kept on deposit in financial institutions, traveler's checks, money orders, safe deposit box contents, monies owed to policyholders by insurance companies, utility deposits, and corporate stocks, securities and dividends held by brokers and fiduciaries. The treasurer is required to attempt to notify the owners as well as publish notices of the unclaimed property in local newspapers within 120 days after the report and property have been received from the holder. All abandoned property (other than money and securities) delivered to the state treasurer is sold to the highest bidder at public sale within three years after its delivery (unless the treasurer determines that the probable cost of sale exceeds the value of the property).

COLLECTIONS:

All funds received, including the proceeds from the sale of abandoned property, are collected by the state treasurer.

Fiscal Year	Gross Collections	Claims Paid	Net Collections	Percent Change
2007-08	55,936,421	28,376,586	27,559,835	(15.44)
2006-07	55,625,015	23,032,463	32,592,552	(25.33)
2005-06	66,575,396	22,925,251	43,650,145	(35.05)
2004-05	81,049,825	13,840,515	67,209,310	297.27

Source: State Treasurer's Office Unclaimed Property Division.

Fiscal Year	State General Fund Receipts Collections ($)	Percent Change
2007-08	45,000,000	(18.18)
2006-07	55,000,000	83.33
2005-06	30,000,000	(3.23)
2004-05	31,000,000	172.22

Source: "State General Fund Receipts–Comparison of Net Receipts" Report – Comptroller's Office.

MAJOR EXEMPTIONS:

(1) Municipalities, incorporated municipal boards, counties, county boards and electric cooperatives are exempted from reporting property as abandoned.

(2) Gift certificates, cards, or in-store credits issued by persons primarily engaged in a retail business.

(3) Property held, due and owing in a foreign country and arising out of a foreign transaction.

DISTRIBUTION:

All funds received and proceeds from the sale of abandoned property are deposited as follows:

(1) Funds from estates of persons who died without leaving a will or heir are deposited into the Public School Fund.

(2) All other funds are deposited into the Unclaimed Property Reserve Fund. Claims and administrative expenses are paid from the Reserve Fund. Surpluses in the fund are deposited into the State General Fund on a quarterly schedule.

LEGISLATIVE HISTORY:

Acts 1971, No. 63, p. 101

Established the procedure for the uniform disposition of unclaimed or abandoned property; and established distribution as follows: 20% into trust fund for enforcement and claims; 80% to State General Fund.

Acts 1973, No. 1084, p. 1844

Provided for the uniform disposition of unclaimed money orders and traveler's checks which are outstanding for more than 15 years.

Acts 1991, 1st Ex. Sess., No. 788, p. 176

Accelerated state custody of unclaimed or abandoned tangible and intangible property by changing the dormancy period from seven to five years (provided one-time $6 million windfall to State General Fund); and provided for current disposition of funds.

Acts 1996, No. 724, p. 1197

Transferred the administration of the Uniform Disposition of Unclaimed Property Act from the Department of Revenue to the State Treasurer's Office beginning October 1, 1996; amended reporting and delivery of property requirements; also established new funds within Treasurer's Office with reserves accruing to the State General Fund on a quarterly basis.

Acts 1999, No. 381, p. 607

Provided that any warrant drawn by the state comptroller which is outstanding and unpaid one year from the date of issue is void and shall be reported and maintained through the unclaimed property program (formerly void after one year with payment to the State General Fund).

Acts 2004, No. 440, p. 755

Repealed the prior unclaimed property law and provided for the Uniform Disposition of Unclaimed Property Act of 2004; shortened the time period within which holders of property must report and pay to the state property that is presumed to be abandoned; and clarified that property resulting from demutualization of an insurance company is subject to the unclaimed property law.

COMPARISON WITH NEIGHBORING STATES:

Florida

The law requires reports of abandoned property to be filed with the Department of Financial Services. Funds are deposited into the State School Trust Fund.

Georgia

Procedures for disposition of abandoned property are carried out by the Department of Revenue. Unclaimed property reverts to the Unclaimed Property Trust Fund within the State General Fund.

Mississippi

Abandoned property is handled by the State Treasurer's Office. A portion is set aside in the Historic Properties Financing Fund with the remainder of the proceeds invested to generate interest income for the state.

Tennessee

The State Treasurer's Office administers the orderly disposition of abandoned property (Unclaimed Property Division). Proceeds are deposited into the State General Fund.

AD VALOREM TAX

CONSTITUTIONAL PROVISIONS:

1. Levying Provisions:

Section 214 of the Constitution of Alabama of 1901

Limited total state property tax levied for state purposes to 6.5 mills.

Amendment No. 111 to Section 260 of the Constitution of Alabama of 1901, now appearing as Section 260 of the Official Recompilation of the Constitution of Alabama of 1901, as amended (proposed by Act 56–82, 1st Ex. Sess., proclaimed ratified September 7, 1956)

Section 260 provided a tax of 3 mills for the Public School Fund to be applied to the support and maintenance of public schools and restated the authority of the Legislature to levy a total state ad valorem tax up to 6.5 mills, including the 3 mills provided by this section for the Public School Fund (see LEGISLATIVE HISTORY-Acts 1935, No. 194). Amendment 111 replaced reference to the "public school fund" with "education fund" and reference to use of the 3-mill tax for the "support and maintenance of the public schools" with "support and furtherance of education."

2. Exemption Provisions:

Section 91 of the Constitution of Alabama of 1901

Prohibited the Legislature from taxing the real or personal property of the state, counties or municipal corporations or cemeteries and certain property used exclusively for religious worship, schools or for purely charitable purposes. (See also Amendment No. 373.)

3. Other Provisions:

Amendment No. 373 to the Constitution of Alabama of 1901, now appearing as Section 217 of the Official Recompilation of the Constitution of Alabama of 1901, as amended "Lid Bill" (proposed by Act 78-6, 2nd Ex. Sess., proclaimed ratified November 20, 1978, effective October 1, 1978)

(a) Established the current classes of property, assessment ratios and the maximum total amount of ad valorem tax payable on any item in any one year (as a percentage of fair market value).

(b) Provided option of current use value for Class III property.

(c) Provided that taxable property be assessed uniformly by local governments at the state ratio effective October 1, 1978 and further provided for the adjustment of the ratios (within a prescribed range of assessment ratios of 5% to 35%) as applied to property taxes levied by local authorities.

(d) Established procedures for increasing local millage rates above limits otherwise provided in the Constitution as follows:

(i) proposal by the local governing body after a public hearing;

(ii) approval by the Legislature;

(iii) approval by a majority of affected voters in a special election.

(e) Provided that, on or after October 1, 1978, taxing authorities may levy and collect up to 2 mills property tax for reimbursement for certain reappraisal costs, with any collections above the reassessment costs in the year the tax terminates to be used for general purposes.

(f) Restated exemption of property devoted exclusively to religious, educational or charitable purposes (see also Section 91) and provided additional exemptions. (See MAJOR EXEMPTIONS.)

STATUTORY AUTHORITY:

Sections 38-4-12, 38-4-12.1, and 40-3-1 through 40-11-4 Code of Alabama 1975, as amended.

TAX BASE:

A property tax is levied on the owners of real and personal property within Alabama. All property is assessed in one of four classes at the ratios and maximums below:

Class	Description	Assessment Ratio	Annual Max. Payable (as % of Mkt Value)*	Total Millage Equivalent
I	All property of utilities	30%	2.00%	66.7
II	All property not otherwise classified	20%	1.50%	75
III	All agricultural, residential, forest property, and historical building sites	10%	1.00%	100
IV	All private passenger automobiles and motor trucks used for personal use	15%	1.25%	83.3

*Total (including state and all applicable local levies) payable per taxpayer per property. The cities of Mountain Brook, Vestavia Hills and Huntsville are exempted from the ceiling by Amendment No. 373 "Lid Bill." Other cities may be exempted by constitutional amendment. The fair and reasonable market value of the property (to which the appropriate assessment ratio is applied) is determined by the local tax assessor and local Board of Equalization except in the case of public utility property, where the Department of Revenue makes such determinations.

TAX RATE:

State levy of 6.5 mills per dollar of assessed value. (A mill is 1/1000 of a dollar or 1/10 of a cent, so that 6.5 mills equal $.0065 or .65% of $1. One mill equals $1 of taxes per $1,000 of assessed value of property.)

Example of application of State millage rate to determine state ad valorem taxes due: Assuming a home has an appraised value of $100,000 and the homeowner (taxpayer) is eligible for the $4,000 state homestead exemption. (See MAJOR EXEMPTIONS.)

$100,000	(appraised value)
x 10%	(assessment ratio of Class III property)
$ 10,000	(assessed value)
-4,000	(homestead exemption)
$ 6,000	
x .0065	(6.5 mills)
$ 39	(State ad valorem tax due)

Information regarding local levies follows LEGISLATIVE HISTORY.

COLLECTIONS:

By County Tax Collector or Revenue Commissioner; remitted to state treasury on the 5th and 20th of each month.

Fiscal Year	Collections ($) (State only)*	Percent Change
2007-08	297,937,940	10.09
2006-07	270,640,962	8.39
2005-06	249,700,949	11.04
2004-05	224,877,382	2.64

*Does not include property tax relief replacement revenues from income tax receipts. Section 40-18-58 of the Code provides an appropriation from income tax receipts to the Property Tax Relief Fund (Section 40-9-24) to replace revenue losses which result from homestead exemptions. The transferred amount is distributed as are other state property tax receipts.

Source: "Comparative Summary of Revenues by Revenue Source" Report-Comptroller's Office.

Property Tax Relief Fund Collections:

Fiscal Year	Collections ($)	Percent Change
2007-08	43,634,663	8.90
2006-07	40,066,966	6.38
2005-06	37,664,601	4.97
2004-05	35,881,927	5.43

Source: "Comparison of Net Receipts" Report - Comptroller's Office.

MAJOR EXEMPTIONS:

Section 91 of the Constitution of Alabama of 1901 exempts the real and personal property of the state, counties, or other municipal corporations, or cemeteries, as does Amendment No. 373. Amendment No. 373 also exempts property devoted exclusively to religious, educational or charitable purposes, as well as household and kitchen furniture, all farm tractors, all farming implements when used exclusively in connection with agricultural property and all stocks of goods, wares and merchandise (inventory). Sections 40-9-1 through 40-9-33 Code of Alabama 1975, as amended, provide a listing of additional property tax exemptions for various organizations and for various types of property. Among these are a $4,000 (in assessed value) homestead exemption from state taxes for those 65 or under (up to 160 acres) and a total exemption from state ad valorem taxes on homesteads for those over 65 years of age or those who are, regardless of age, retired due to total and permanent disability or who are blind. Municipal industrial development projects, county industrial development projects and property and projects of Municipal Industrial Development Boards, Downtown Redevelopment Authorities, County Industrial Development Boards, County Industrial Development Authorities and Municipal Medical Clinic Boards may be exempt from certain ad valorem taxes as provided by Code of Alabama 1975, Sections 11-54-31, 11-20-12, 11-54-96, 11-54A-14, 11-20-47, 11-92A-18 and 11-58-14 respectively. Numerous other statutes exempt specific authorities, facilities, commissions, corporations, districts and foundations from property taxes.

DISTRIBUTION:

3-mills to the Public School Fund; 2.5-mills to the State General Fund; and 1-mill distributed as follows: (1) $20,773, 500 to the Department of Human Resources for "old age pension purposes"; (2) one percent of the entire 1-mill levy to the Alabama Historical Commission for the maintenance of the Confederate Memorial Park in Chilton County; (3) the amount appropriated by the Legislature in the annual appropriations act to the Department of Revenue for administrative costs; (4) the amount required to the Department of Human Resources for pension payments to Confederate soldier and sailor widows; and (5) the remainder to the Alabama Veterans' Assistance Fund. County, municipal, and other special tax district levies are generally earmarked.

LEGISLATIVE HISTORY:

Acts 1935, No. 194, p. 256

Levied the 3-mill tax specified by Section 260 of the Constitution of Alabama of 1901, plus 1-mill for needy Confederate soldiers and sailors and their widows, of which 1% of the gross amount collected to be expended by the Alabama Historical Commission to provide capital improvements and maintenance

at the Confederate Memorial Park at Mountain Creek in Chilton County, and 2.5 mills for general state purposes; set the assessment ratio of taxable property at 60% of fair market value and specified certain exemptions.

Acts 1951, No. 703, p. 1211

Established the State Department of Public Welfare (now the State Department of Human Resources) and provided that the surplus or residue of the proceeds from the levy of the 1-mill tax for the relief of needy Confederate soldiers and sailors and their widows be used for old age assistance purposes exclusively before any part may be expended for any other purposes of the department of public welfare.

Acts 1967, No. 502, p. 1215

Changed assessment ratio to 30% of market value.

Acts 1971, 3rd Ex. Sess., No. 116, p. 4339, (Constitutional Amendment No. 325, now appearing as Section 217 of the Official Recompilation of the Constitution of Alabama of 1901, as amended)

(1) Created three classes of taxable property with the following state assessment ratios:
Class I - all property of utilities - 30%
Class II - all property not otherwise classified - 25%
Class III - all agricultural, forest and residential property - 15%

(2) Provided that taxable property be assessed by local governments according to the classes and assessment ratios above; further provided that the Legislature could vary the local governments' assessment ratio for each class of property or fix a uniform ratio for all property and that such ratios could vary among counties (within a prescribed range of 15% to 35%); also provided for local adjustment of tax rates.

(3) Established maximum amount of total ad valorem tax payable on one property in any one year at 1.5% of fair market value.

(4) Restated certain exemptions.

Acts 1971, 3rd Ex. Sess., No. 166, p. 4413

Restated and further defined property classes and assessment ratios, provided additional exemptions; and established differing assessment ratios for counties, as authorized by Act 71-116, 3rd Ex. Sess.

Acts 1973, No. 1216, p. 2062

Assessment ratios of several individual counties changed.

Civil Action No. 2877-N. U.S. District Court for the Middle District of Alabama, Northern Division, March 8, 1974.

Required a statewide re-valuation of all real property in Alabama, fairly appraising each parcel of real estate at its current market value.

Civil Action 77-242-H. U.S. District Court for the Southern District of Alabama, Northern Division, April 21, 1978. Declared Section 40-8-1(e) Code of Alabama 1975, unconstitutional because the varying county assessment ratios provided therein created a disparity in rates among counties that was determined to be arbitrary and grossly unequal. However, the provision in Amendment No. 325 allowing the Legislature to vary assessment ratios among counties was upheld.

Acts 1975, No. 1187, p. 2319

Provided that 1% of the 1-mill ad valorem tax allocated for the relief of needy Confederate soldiers and sailors and their widows be remitted to the Alabama Historical Commission to provide for capital improvements and maintenance at the Confederate Memorial Park at Mountain Creek, Chilton County, Alabama.

Acts 1978, 2nd Ex. Sess., No. 46, p. 1724

Restated and further defined classes and assessment ratios as prescribed by Constitutional Amendment No. 373-Lid Bill.

Acts 1982, No. 302, p. 384

Provided a formula method for determining the current use value of agricultural and forest land.

Acts 1991, No. 694, p. 1340

Provided that a registration fee be paid in lieu of ad valorem taxes on manufactured homes which are rented or leased or located on land owned by someone other than the owner of the manufactured home. (An owner-occupied manufactured home located on land owned by the occupant remained subject to ad valorem taxes.)

Acts 1993, No. 309, p. 464

Allocated a portion of the proceeds from the 1-mill tax for veterans' homes in Bay Minette and Huntsville.

Acts 1997, No. 279, p. 499

Capped the amount that the Department of Human Resources receives from the 1-mill tax at $20,773,500 annually, established the Alabama Veterans' Assistance Fund and allocated the residue from the 1-mill tax to the Alabama Veterans' Assistance Fund.

Acts 1999, No. 399, p. 663

Provided that property owned by customer-owned coin operated telephone companies and broadband personal communication services companies would be taxed as Class II property rather than as Class I property.

Acts 1999, 2nd Ex. Sess., No. 665 p. 131

Exempted shares of stock from ad valorem tax.

Acts 2000, No. 242, p. 386 (Constitutional Amendment No. 669, now appearing as Section 269.07 of the Official Recompilation of the Constitution of Alabama of 1901, as amended)

Removed the requirement that at least a 3-mill county school tax must be levied before a 3-mill district school tax may be levied under Amendment No. 3.

Acts 2005, 1st Ex. Sess., No. 215, p. 423 (Constitutional Amendment No. 778, now appearing as Section 269.08 of the Official Recompilation of the Constitution of Alabama of 1901, as amended))

Proposed a constitutional amendment to require 10 mills of ad valorem tax in each public school district (no longer "or equivalent") beginning October 1, 2006.

LOCAL RATES:

1. COUNTY SCHOOL MILLS

Mills	Constitutional Authorization	Implementation Statutes
1-Countywide	Section 269 as amended by Amendment No. 111	Section 16-13-160. Upon petition of at least 200 qualified electors to the county commission an election is held (3/5 approval required.)
3-Countywide	Amendment No. 3, now appearing as Section 269.01 of the Official Recompilation of the Constitution of Alabama of 1901, as amended)	Section 16-13-180. Upon petition of at least 200 qualified electors to the county commission an election is held.
3-District	Amendment No. 3, now appearing as Section 269.02 of the Official Recompilation of the Constitution of Alabama of 1901, as amended)	Section 16-13-180. Upon the request of county or city board of education to the county commission, an election is held.
5-Countywide	Amendment No. 202, now appearing as Section 269.04 of the Official Recompilation of the Constitution of Alabama of 1901, as amended)	Because of conflicting language in the Amendment, it is recommended that both a petition of 200 electors and a request by the local board of education be made to the county commission for an election.
3-District	Amendment No. 382, now appearing as Section 269.05 of the Official Recompilation of the Constitution of Alabama of 1901, as amended)	Lacking implementation language in Amendment, the procedures for Amendment No. 3 (above) should be followed.

2. COUNTY GOVERNMENT MILLS

Mills	Constitutional Authorization	Implementation Statutes
5-(for general purposes)*	Section 215 as amended by Amendment No. 208	Section 22-3-10; up to 5 mills may be levied for maintenance of a county health officer and health department; Section 11-9-1; for sanitary waste disposal systems. No election required.
2.5-(for public buildings, bridges or roads-excess may be used for general purposes)	Section 215 as amended by Amendment No. 208	Section 11-14-11; for public buildings, bridges or roads; Section 11-14-10; for courthouses, jails and hospitals; Section 11-14-16; for courthouses or jails. No election required.
.1-(for county hospitals)	Amendment No. 59 (Mobile and Montgomery Counties exempted), now appearing as Section 215.01 of the Official Recompilation of the Constitution of Alabama of 1901, as amended)	Section 11-14-10; for courthouses, jails, and hospitals. Election required.
4-(for county hospitals and health facilities)	Amendment No. 72 (Mobile, Montgomery, and Jefferson Counties exempted), now appearing as Section 215.02 of the Official Recompilation of the Constitution of Alabama of 1901, as amended)	Section 11-14-10; for courthouses, jails, and hospitals. Election required.
.5-(for public library)	Amendment No. 269, now appearing as Section 215.05 of the Official Recompilation of the Constitution of Alabama of 1901, as amended)	None. Election required.
Per acre tax (for forest fire protection). Local levy limited to the amount that, when combined with the state levy (currently $.10), would result in a total tax of no more than $.20.	Amendment No. 511, now appearing as Section 214.01 of the Official Recompilation of the Constitution of Alabama of 1901, as amended)	Section 9-13-197; Local legislative act required.

*May be higher if county has levied and is collecting the special 2 mill property tax authorized by Amendment No. 373(e).

3. MUNICIPAL GOVERNMENT MILLS (may be levied by ordinance)

Mills	Constitutional Authorization	Implementation Statutes
5-(for general purposes)	Section 216 (authorizes certain cities to levy more than 5 mills)	None. No election required.
7.5-(for general purposes)	Amendment No. 56, now appearing as Section 216.04 of the Official Recompilation of the Constitution of Alabama of 1901, as amended)	None. Election required.
.5-(for public library)	Amendment No. 269, now appearing as Section 215.05 of the Official Recompilation of the Constitution of Alabama of 1901, as amended)	None. Election required.

ADDITIONAL NOTES REGARDING LOCAL LEVIES:

(1) Local governments may levy additional mills for schools or other purposes (a) under the provisions of Amendment No. 373 "Lid Bill" outlined under CONSTITUTIONAL PROVISIONS, (b) by local constitutional amendment or (c) by general constitutional amendment. A general constitutional amendment requires passage of a legislative act by 3/5 votes of both houses and statewide approval of voters. A local constitutional amendment requires passage of a legislative act by 3/5 votes of both houses with no dissenting votes cast and approval of the Local Constitutional Amendment Commission with subsequent approval only by voters in the affected area. If there is a dissenting vote, then statewide approval is required.

(2) Section 16-13-231 of the Code of Alabama 1975, requires that each school system receive an amount of local tax proceeds equivalent to 10 mills of school district tax in order to participate in the Foundation Program.

(3) Numerous constitutional amendments and local implementation acts authorize certain local governments to levy additional property taxes for specified purposes.

(4) Countywide school mill revenues are distributed to local school districts on the basis of the total calculated costs of the Foundation Program for those local school districts.

(5) District school mill revenues are distributed directly to the district school system.

(6) Local governments may also levy and collect the special 2 mills property tax authorized by Amendment No. 373 (l), related to reimbursement for certain reappraisal costs, if they have not already done so.

LOCAL HOMESTEAD EXEMPTIONS:

Those age 65 and under receive a homestead exemption from county ad valorem taxes, except school taxes, up to $2,000 in assessed value (up to 160 acres). Municipalities may, by resolution, grant this same exemption from municipal ad valorem taxes. Local governments may increase these exemptions from $2,000 to $4,000 assessed value (to include school taxes if approved by the governing bodies of affected schools). Those over age 65 with an annual adjusted gross income of less than $12,000 for state income tax purposes, or who are, regardless of age, totally disabled or blind, receive a homestead exemption from county ad valorem taxes (including taxes levied for schools) of up to $5,000 in assessed value (up to 160 acres). Those totally disabled or 65 years of age or older with a net taxable income of $7,500 or less for federal income tax purposes receive a total exemption from all (state, county and municipal) ad valorem taxes on their principal residence (and up to 160 adjacent acres). Municipalities may, upon the request of the city board of education, grant a total or partial exemption from the increased portion of any ad valorem tax pursuant to Amendment No. 373 "Lid Bill" for school purposes on homesteads of persons over age 65, persons retired due to permanent and total disability and persons who are blind.

COMPARISON WITH NEIGHBORING STATES:

Florida

All property, real and personal, including intangible, is assessed unless specifically exempt. All real estate and personal property is assessed at its full cash value. The assessed value of homesteads cannot exceed the assessment for the prior year plus the lesser of (1) 3% or (2) the percent change in the Consumer Price Index. Agricultural land may be assessed based solely on its agricultural use. The applicable rate for real and tangible personal property is the total of all lawful levies. There is no state levy on real and tangible personal property. A one-time tax of 2 mills is imposed on each dollar of just valuation of all notes and other obligations for payment of money, other than bonds, that are secured by mortgage, deed of trust, or other lien upon real property situated in the state.

Georgia

All real and personal property, unless expressly exempt, is assessed at 40% of its fair market value except bona fide conservation use property (up to 2000 acres) which is assessed at 40% of its current use value and property devoted to agricultural purposes (the first $100,000 of fair market value and up to 2000 acres) which is assessed at 75% of the value of other realty. Timber is assessed at 100% of its fair market value at the time of its harvest or sale. The applicable rate is the total of all lawful levies. There is a state levy of .25 mills. No intangible personal property tax.

Mississippi

All property, real and personal, is subject to taxation unless expressly exempted and is assessed in proportion to its value. The applicable rate is the total of all lawful levies. For purposes of Assessment, taxable property is divided into 5 classes: Class I. Single-family, owner-occupied, residential real property, 10%; Class II. All other real property, 15%; Class III. Personal property, 15%; Class IV. Public utility property, 30%; and Class V. Motor vehicles, 30%. There is no state levy.

Tennessee

All property, real and personal, is taxed unless exempted. Real property of utilities is assessed at 55% of actual value, industrial and commercial property is assessed at 40% and farm and residential property is assessed at 25%. Tangible personal property is assessed at 55% for public utilities, 30% for industrial and commercial property, and 5% for all other tangible personal property. (However, by statute, all tangible personal property, other than public utility property and industrial and commercial property, has no value.) All property is taxed at the total of all lawful levies. There is no state levy.

AGRICULTURAL FEES

Feed Fees

STATUTORY AUTHORITY:

Sections 2-21-16 through 2-21-34 Code of Alabama 1975, as amended.

TAX BASE:

(1) An annual license fee paid by sellers or distributors of commercial feed.

(2) An inspection fee on the sale of commercial feeds.

TAX RATE (Established by the Board of Agriculture & Industries. See LEGISLATIVE HISTORY, Acts 2004, No. 516)**:**

(1) **License Fee:** Within the ranges set out below based upon the number of tons of feed sold or distributed during the preceding year. An annual license must be obtained by everyone selling or distributing commercial feed in Alabama.

Tons Sold	Authorized License Fee	Current Fee
Less than 250	$30 - $45	$35
250 – 499	$60 - $90	$75
500 – 999	$200 - $300	$250
1,000 – 1,999	$250 - $375	$300
2,000 – 3,999	$300 - $450	$350
4,000 – 7,999	$350 - $575	$450
8,000 and over	$400 - $750	$550 (8,000-11,999 tons)
		$650 (12,000-15,999 tons)
		$750 (16,000 tons and over)

The cost of an initial license for persons not previously distributing commercial feed in Alabama is $30.

(2) **Inspection Fee:** Not to exceed $.25 per ton on commercial feeds by every person distributing, manufacturing, or selling commercial feed in Alabama (exempting bulk grain). The current fee is $.25 per ton. If a commercial feed is distributed in packages or containers of less than 10 lbs. an annual fee not to exceed $100 per product is paid in lieu of inspection fees. The current fee is $50 per product with annual Alabama gross sales less than $250,000 and annual national/international gross sales less than $1,000,000. The current fee is $75 per product with annual Alabama gross sales greater than $250,000 and/or annual national/international gross sales greater than $1,000,000.

COLLECTIONS:

Annual license fees are paid to the Department of Agriculture & Industries and are due by January 1 of each year. The Department collects inspection fees on a quarterly basis.

Fiscal Year	Collections ($)	Percent Change
2007-08	1,036,689	9.40
2006-07	947,625	9.56
2005-06	864,921	21.38
2004-05	712,565	72.33
2003-04*	413,480	11.43

*Includes collections from license and inspection fees at the previous fee schedule. Collections from current license and inspection fees began in FY 2005.

Source: "Comparative Summary of Revenues by Revenue Source" Report-Comptroller's Office.

MAJOR EXEMPTIONS:

No inspection fee is paid on vertical-integrator feed or on the ingredients used to manufacture a vertical-integrator feed.

DISTRIBUTION:

All proceeds are deposited into the Agricultural Fund, Department of Agriculture & Industries.

LEGISLATIVE HISTORY:

Acts 1978, No. 780, p. 1143

Alabama Commercial Feed Law of 1978. Provided for licensing and regulation of the manufacture, sale, and distribution of commercial feeds and levied license and inspection fees; and provided for the deposit of those fees to the Agricultural Fund. The license and inspection fees established were:

License Fee:

Tons Sold	
Less than 250	$30
250 – 499	$60
500 – 999	$200
1,000 – 1,999	$250
2,000 – 3,999	$300
4,000 – 7,999	$350
8,000 and over	$400
Inspection Fee:	$.20/ton

Annual Fee in Lieu of Inspection: $25 per brand for packages less than six ounces.

Acts 1979, No. 310, p. 463

Omitted the requirement that the minimum inspection fee paid by any licensee to sell or distribute commercial feed would be $10 per quarter.

Acts 2004, No. 516, p. 996

Authorized the Board of Agriculture & Industries to establish license fees within the current ranges and the inspection fee and annual fee in lieu of the inspection fee at current rates. Also, provided that the annual fee in lieu of inspection fee would apply to containers up to 10 lbs.

Fertilizer Fees

STATUTORY AUTHORITY:

Sections 2-22-1 through 2-22-23 Code of Alabama 1975, as amended.

TAX BASE:

(1) Annual permit and license fees paid by sellers of commercial fertilizer.

(2) An inspection fee upon the sale and distribution of fertilizer.

TAX RATE (Established by the Board of Agriculture & Industries. See LEGISLATIVE HISTORY, Acts 2004, No. 516)**:**

(1) **Permit and License Fee:** An annual dealer permit must be obtained by everyone selling commercial fertilizer in Alabama. If the person does not manufacture, mix, formulate or label the fertilizer, the permit fee is established at a rate not to exceed $10. The current fee is $10. If the person manufactures, formulates, mixes or labels the fertilizer, the license fee is established within the ranges set out below based on the number of tons of commercial fertilizer sold in (or sold for importation into) the state during the preceding year:

Tons Sold	Authorized License Fee	Current Fee
Less than 100	$25 - $37.50	$30
100 – 999	$50 - $75	$60
1,000 – 4,999	$100 - $150	$120
5,000 – 9,999	$150 - $225	$175
10,000 – 24,999	$200 - $300	$250
25,000 – 49,999	$250 - $375	$325
50,000 – 74,999	$300 - $450	$400
75,000 – 99,999	$350 - $525	$500
100,000 and over	$400 - $750	$750

(2) **Inspection Fee:** Not more than $.75 per ton of gross sales. The current fee is $.70 per ton.

COLLECTIONS:

Annual permit and license fees are paid to the Department of Agriculture & Industries and are due by October 1 of each year. Inspection fees are collected by the Department and are due by the 20th of each month following the report period.

Fiscal Year	Collections ($)	Percent Change
2007-08	485,130	(7.88)
2006-07	526,602	7.99

Fiscal Year	Collections ($)	Percent Change
2005-06	487,629	(6.13)
2004-05	519,463	64.32
2003-04*	316,124	(10.25)

*Includes permit, license and inspection fees at previous rates. Collections from current fees began in FY 2005.

Source: "Comparative Summary of Revenues by Revenue Source" Report - Comptroller's Office.

MAJOR EXEMPTIONS:

Sales to manufacturers and/or exchanges between manufacturers are exempt from the inspection fee.

DISTRIBUTION:

All proceeds are deposited into the Agricultural Fund, Department of Agriculture & Industries.

LEGISLATIVE HISTORY:

Acts 1969, No. 434, p. 840

Alabama Fertilizer Law of 1969. Provided for licensing and regulation of the sale and distribution of commercial fertilizers, fertilizer materials, and other substances and levied permit and license fees as follows:

License Fee:

Tons Sold	
Less than 100	$25
100 – 999	$50
1,000 – 4,999	$100
5,000 – 9,999	$150
10,000 – 24,999	$200
25,000 – 49,999	$250
50,000 – 74,999	$300
75,000 – 99,999	$350
100,000 and over	$400
Dealer Permit:	$1
Inspection Fee:	$.30

Acts 1981, No. 664, p. 1085

Changed the inspection fee to $.50 per ton.

Acts 2004, No. 516, p. 996

Authorized the Board of Agriculture & Industries to establish permit, license and inspection fees at the current rates.

Food Safety Permit Fees

STATUTORY AUTHORITY:

Sections 20-1-33 through 20-1-37 Code of Alabama 1975, as amended.

TAX BASE:

An annual permit fee paid by food sales establishments in the state that sell baby food, infant formula, or potentially hazardous food.

TAX RATE:

$50 for each food sales establishment.

COLLECTIONS:

Annual permit fees are collected by the Department of Agriculture & Industries and are due by July 1.

Fiscal Year	Collections ($)	Percent Change
2007-08	364,747	19.07
2006-07	306,325	(13.02)
2005-06	352,180	(17.12)
2004-05	424,950	96.06
2003-04	216,750	(26.74)

Source: "Comparative Summary of Revenue by Revenue Source" Report - Comptroller's Office.

MAJOR EXEMPTIONS:

(1) Meat processing establishments that already have a grant of inspection from the Commissioner and/or the U.S. Department of Agriculture.

(2) Food service establishments required to obtain a food service permit through the Alabama Department of Public Health, except those operating in conjunction with a food sales establishment otherwise requiring a permit.

DISTRIBUTION:

All proceeds are deposited into the Agricultural Fund, Department of Agriculture & Industries.

LEGISLATIVE HISTORY:

Acts 2000, No. 320, p. 505

Alabama Safe Foods Act of 2000. Established the permit fee at the current rate and distribution.

Liming Materials Fees

STATUTORY AUTHORITY:

Sections 2-23-1 through 2-23-11 Code of Alabama 1975, as amended.

TAX BASE:

(1) An annual permit fee paid by manufacturers or distributors of agricultural liming materials.

(2) An inspection fee on the sale of agricultural liming materials, paid by the first manufacturer or distributor to sell the material in Alabama.

TAX RATE (Established by the Board of Agriculture & Industries. See LEGISLATIVE HISTORY, Acts 2004, No. 516)**:**

(1) **Permit Fee:** Every manufacturer or distributor of agricultural liming materials must obtain an annual permit at up to $250 for the first brand or type of liming material and $125 for each additional brand or type. The current fees are $150 for the first brand and $100 for each additional brand.

(2) **Inspection Fee:** Not more than $.25 per ton of gross sales. The current fee is $.20 per ton.

COLLECTIONS:

Annual permit fees are collected by the Department of Agriculture & Industries and are due by October 1 of each year. Inspection fees are collected by the Department and are due by the 20th of each month.

Fiscal Year	Collections ($)	Percent Change
2007-08	125,324	(0.05)
2006-07	125,385	(24.78)
2005-06	166,690	36.52
2004-05	122,098	63.60
2003-04*	74,633	46.63

*Includes permit and inspection fees at the previous rates. Collections from the current fees began in FY 2005.

Source: "Comparative Summary of Revenues by Revenue Source" Report - Comptroller's Office.

MAJOR EXEMPTIONS:

None.

DISTRIBUTION:

All proceeds are deposited into the Agricultural Fund, Department of Agriculture & Industries.

LEGISLATIVE HISTORY:

Acts 1975, No. 1190, p. 2328

Alabama Agricultural Liming Materials Act. Provided for the licensing and regulation of the sale of agricultural liming materials; and provided for the levy of the inspection fee at not more than $.10 per ton fixed by the Board of Agriculture & Industries and permit fee of $100 for the first brand or type and $50 for each additional brand.

Acts 2004, No. 516, p. 996

Authorized the Board of Agriculture & Industries to establish permit and inspection fees at the current amounts.

Pesticide Registration and License Fees

STATUTORY AUTHORITY:

Sections 2-27-1 through 2-27-16 and Sections 2-27-50 through 2-27-63 Code of Alabama 1975, as amended.

TAX BASE:

(1) An annual registration fee paid for every pesticide or device which is distributed, sold or offered for sale in Alabama or delivered for transportation or transported in intrastate commerce or between points within Alabama through any point outside the state.

(2) An annual license fee paid by everyone selling or offering for sale any restricted-use pesticide.

(3) Permit fee for those purchasing and using restricted-use pesticides, both private and commercial.

TAX RATE (Established by the Board of Agriculture & Industries. See LEGISLATIVE HISTORY, Acts 2004, No 516)**:**

(1) **Registration Fee:** An annual fee of up to $200 for every pesticide brand registered by distributors, sellers or transporters of pesticides. The current fee is $200 and this fee shall remain in effect until FY 2012. Thereafter, this fee cannot exceed the national average fee for each product registered.

(2) **License Fee:** An annual fee is paid by everyone selling or offering for sale any restricted-use pesticides. The current fee is $45. In addition to any other requirement, persons purchasing and using restricted-use pesticides must pay a permit fee of not less than $15 and not more than $60 per category for commercial pesticide applicator, and not more than $40 for a private pesticide applicator renewable every three years. The current fees are $45 for commercial pesticide applicator and $25 for private pesticide applicator. The current license fee for custom application by the use of ground equipment or aircraft is $100.

COLLECTIONS:

Annual registration and license fees are paid to the Department of Agriculture & Industries and are due January 1 of each year.

Fiscal Year	Collections ($)*	Percent Change
2007-08	2,702,310	8.20
2006-07	2,497,535	4.25
2005-06	2,395,665	2.99
2004-05	2,326,020	104.85
2003-04*	1,135,490	(2.73)

*Includes: (1) custom pesticide applicator permits; (2) dealer permits; (3) registration permits; and (4) commercial and private pesticide restricted-use permits. Collections from the current rates began in FY 2005.

Source: "Comparative Summary of Revenues by Revenue Source" Report - Comptroller's Office.

MAJOR EXEMPTIONS:

Permits and licenses are not required of the following:

(1) Any carrier lawfully engaged in transporting a pesticide within this state who will permit the commissioner or his agent to copy all records showing the transactions in and movement of the articles.

(2) Any bona fide public or private research institution or agency.

(3) The manufacturer or shipper of a pesticide for bona fide experimental use only, provided the manufacturer or shipper obtains a permit from the commissioner.

(4) Articles intended solely for export to a foreign country when prepared or packed according to the specifications or directions of the purchaser.

(5) Pesticides stored or shipped from one manufacturing plant within this state to another operated by the same person or from one manufacturer to another, provided they are properly labeled whenever poison labels are required.

DISTRIBUTION:

All proceeds are deposited into the Agricultural Fund, Department of Agriculture & Industries.

LEGISLATIVE HISTORY:

Acts 1951, No. 908, p. 1548

Provided for the regulation and registration of the distribution, sale or transportation of pesticides by the Department of Agriculture and Industry; and set annual registration fee at $15 for each pesticide registered.

Acts 1971, No. 1949, p. 3151

Repealed and replaced Acts 1951, No. 908. Continued the registration fee at $15 for each pesticide registered; added the requirement that annual use permits be purchased for the purchase and use of restricted-use pesticides; established an annual dealer license for persons selling or offering for sale any restricted-use pesticide at $10; and provided a permitting exemption to certain licensed pest control operators.

Acts 1971, No. 1957, p. 3177

Provided for the regulation and licensing custom application of pesticides, both by aircraft and ground equipment at $50 for application by ground or only one aircraft, plus $10 for each additional aircraft, not to exceed a total of $100 per year.

Acts 1989, No. 743, p. 1473

Increased the annual pesticide registration fee from $15 to $50.

Acts 1991, No. 556, p. 1025

Increased the annual pesticide registration fee to $100.

Acts 1993, No. 259, p. 387

Prohibited local governments from passing ordinances related to pesticides and preempted any other law or ordinance regulating pesticides.

Acts 1993, No. 755, p. 1509

Provided further for the required permit for purchase and use of restricted-use pesticides. Permit to be from $15 to $30 and permitting to be administered by the Board of Agriculture & Industries. This act no longer exempts those licensed pest-control operators from permitting as provided in Act 71-1949.

Acts 2004, No. 516, p. 996

Authorized the Board of Agriculture & Industries to establish the registration and license fees at current rates.

Petroleum Commodities Fees

STATUTORY AUTHORITY:

Sections 8-17-80 through 8-17-94 Code of Alabama 1975, as amended.

TAX BASE:

(1) A permit fee paid by everyone selling, offering for sale, storing or using petroleum products in Alabama.

(2) An inspection fee on the person first selling, storing or using any petroleum product in the state.

TAX RATE:

(1) **Inspection Fee:**

(a) Gasoline, $.02 per gallon.

(b) Diesel fuel, $.02 per gallon. However, diesel fuel that is subject to excise taxes on motor fuel is exempt from this inspection fee.

(See LEGISLATIVE HISTORY, Acts 2004, No. 546.)

(c) Kerosene, $.01 per gallon.

(d) Lubricating oil, $.15 per gallon.

(e) Kerosene or diesel fuel that is of the types customarily used as fuel to propel jet aircraft, 1/40 of $.01 per gallon.

(f) Kerosene or diesel fuel that is used to operate boats, yachts, ships or other maritime vehicles, 1/40 of $.01 per gallon.

(g) Kerosene or diesel fuel used to operate tractors used exclusively for agricultural purposes, 1/40 of $.01 per gallon.

(h) Diesel fuel that is of the type customarily used to propel railroad locomotives, 1/40 of $.01 per gallon.

(i) Kerosene or diesel fuel used in the treatment of wood products, 1/40 of $.01 per gallon.

(2) **Permit Fee:** Each person desiring to sell, offer for sale, store or use petroleum products in Alabama must pay an annual permit fee of $10 for each different brand specified in the permit application.

COLLECTIONS:

Annual permit fees are collected by the Department of Agriculture & Industries and are due by October 1 of each year. Inspection fees are collected by the Department and are due by the 20th of each month.

Fiscal Year	Collections ($)	Percent Change
2007-08	60,034,589	(1.14)
2006-07	60,726,113	0.76
2005-06	60,270,075	(2.58)
2004-05	61,867,067	(15.44)
2003-04*	73,161,106	4.18

*Includes both inspection and permit fees from all fuels through FY 2004. Diesel fuel subject to excise taxes is exempt from inspection fees beginning in FY 2005.

Source: "Comparative Summary of Revenues by Revenue Source" Report - Comptroller's Office.

MAJOR EXEMPTIONS:

(1) A permit is not required from any person selling, offering for sale, storing, or using petroleum products obtained from a person that has already paid the fee. The inspection fee is paid only once on the same product.

(2) Any petroleum product used in a steam boiler.

(3) Any petroleum product used in combustion generating turbines by compression (generating own power).

(4) Petroleum products unloaded in any port of the state for shipment into any other state or to any shipment of petroleum products through the state from any other state to a destination outside the state.

(5) Diesel fuel subject to the excise taxes on motor fuel.

(6) Petroleum products sold to U.S. Government agencies. Petroleum products sold to city, county and state agencies are not exempt.

DISTRIBUTION:

Beginning in FY 2005:

(1) 5% or no less than $175,000, whichever is greater, of the proceeds received each month accrues to the Agricultural Fund, Department of Agriculture & Industries.

(2) The balance of the proceeds are distributed as follows:

   (a) 13.87% distributed monthly and allocated equally among each of the 67 counties.

   (b) $408,981 allocated monthly to the Public Road & Bridge Fund, Department of Transportation, to be used to match federal funds.

   (c) 2.76% of the balance allocated among the municipalities as follows:

(i) 45.45% of the municipalities' share is allocated equally among the 67 counties.

(ii) 54.55% of the municipalities' share is allocated among the 67 counties on the basis of population.

(iii) The amount allocated to each county is distributed among the municipalities within the county on the basis of population.

(d) The balance of the proceeds after all other proceeds have been distributed monthly is distributed to the Public Road & Bridge Fund.

NOTE: Prior to FY 2005, the amount accruing to the Agriculture Fund, Department of Agriculture & Industries each month was $175,000. All other distributions were the same.

LEGISLATIVE HISTORY:

Acts 1971, No. 1403, p. 2363

Provided for the inspection of petroleum products by the Department of Agriculture & Industries and inspection fees paid to the Department as follows: (1) gasoline, 1/40 of $.01 per gallon; (2) diesel fuel, $.01 per gallon; (3) kerosene, $.01 per gallon; (4) lubricating oil, $.15 per gallon; (5) kerosene or diesel fuel for jet aircraft, 1/40 of $.01 per gallon; (6) kerosene or diesel fuel for maritime vehicles, 1/40 of $.01 per gallon; (7) kerosene or diesel fuel for tractors, 1/40 of $.01 per gallon; and (8) diesel fuel for railroad locomotives, 1/40 of $.01 per gallon. Provided that the first $55,000 of all proceeds received each month would be deposited in the Agricultural Fund and the balance remaining thereafter in the Public Road & Bridge Fund.

Acts 1971, 3rd Ex. Sess., No. 339, p. 4643

Further restricted application of the fees to the first person selling petroleum products in Alabama; and exempted diesel fuel and kerosene used in firing steam boilers or combustion generating turbines by compression.

Acts 1973, No. 641, p. 949

Provided an inspection fee of 1/40 of $.01 per gallon for kerosene or diesel fuel used in the treatment of wood products.

Acts 1979, No. 307, p. 460

Provided that 10% of the proceeds collected each month or no less than $55,000 monthly would be deposited in the Agricultural Fund and the balance remaining thereafter in the Public Road & Bridge Fund.

Acts 1981, No. 793, p. 1395

Increased annual permit fee to current rate.

Acts 1984, No. 185, p. 279

Increased inspection fees to the current rates. Increased the monthly amount deposited in the Agricultural Fund to $175,000 and provided current distribution for the remaining monthly balance.

Acts 1986, 1st Ex. Sess., No. 716, p. 132

Provided that the state treasurer distribute the proceeds from petroleum permit and inspection fees and penalties.

Acts 2004, No. 546, p. 1164

Effective October 1, 2004, exempted diesel fuel subject to excise taxes from the $.02 per gallon inspection fee; levied an additional $.02 per gallon excise tax on motor fuel; and further provided for the current distribution of revenues from the inspection fees and excise taxes on motor fuel.

COMPARISON WITH NEIGHBORING STATES:

Florida

Inspection Fee: 1/8 cent per gallon on gasoline, kerosene, and fuel oil.

Permit Fee: Suppliers, importers, exporters, blenders, and wholesalers must obtain an annual license for a fee of $30.

Georgia, Mississippi and Tennessee

No comparable inspection fees.

Seed Fees

STATUTORY AUTHORITY:

Sections 2-26-1 through 2-26-76 Code of Alabama 1975, as amended.

TAX BASE:

(1) A permit fee paid by everyone selling or distributing agricultural type seeds to retail seed dealers, farmers, and others who use or plant such seed in Alabama.

(2) A fee paid by farmers for seed testing.

(1) **TAX RATE** (Established by the Board of Agriculture & Industries. See LEGISLATIVE HISTORY, Acts 2004, No. 516)**:**

Permit Fee:

(a) When seeds are sold at retail in closed containers or packets of eight ounces or less displayed on a supplemental container display, an annual permit fee up to $7.50 is paid for each display. The current fee is $5 for each display.

(b) All other persons selling seeds to retail dealers, farmers, or others who use or plant such seed are required to purchase annual permits for each place of business, or each representative, when no place of business is established in Alabama based on the gross receipts from the sale of such seed for the preceding year in Alabama as follows:

Gross Receipts	Authorized Permit Fee	Current Fee
$2,500.00 or less	$5 - $15	$10
$2,500.01 to $25,000.00	$25 - $50	$35
$25,000.01 to $50,000.00	$50 - $75	$70
$50,000.01 to $100,000.00	$100 - $150	$125
$100,000.01 to $200,000.00	$200 - $300	$250
$200,000.01 to $300,000.00	$300 - $400	$350
$300,000.01 to $400,000.00	$400 - $500	$450
$400,000.01 to $500,000.00	$500 - $600	$550
$500,000.01 or more	$600 - $700	$700

(c) For businesses not previously in operation, the fee is based on anticipated gross receipts for the first year of business. Out-of-state seed sellers not previously selling seed in Alabama which sell or distribute seed through a representative soliciting orders in Alabama are not required to pay the fee on their first year of operation in the state.

(d) Persons engaged in the operation of seed cleaning or processing plants, and persons who purchase and process seeds for resale must pay an annual fee of up to $100. The current fee is $75. If such persons sell at retail, they are also required to pay the appropriate permit fee specified by the above subdivision (c).

(2) **Seed Testing:**

(a) Alabama farmers are entitled to submit seeds to the Department of Agriculture & Industries for up to $10 worth of free seed testing per month.

(b) Fees paid by farmers in excess of $10 per month and the fees paid by seed dealers and non-farmers range from $1 to $10 per sample dependent on the type of seed and test.

COLLECTIONS:

Annual permit fees are paid to the Department of Agriculture & Industries and are due January 1 of each year. The testing fees are paid to the Department when testing services are provided.

Fiscal Year	Collections ($)	Percent Change
2007-08	124,648	22.05
2006-07	102,125	0.69
2005-06	101,427	(0.37)
2004-05	101,804	34.70
2003-04*	75,578	(7.43)

*Includes receipts from previous permit and testing fees. Collections from current fees began in FY 2005.

Source: "Comparative Summary of Revenues by Revenue Source" Report - Comptroller's Office.

MAJOR EXEMPTIONS:

(1) Permits are not required of the following:

(a) Farmers or producers who only sell uncleaned, unprocessed, unpackaged and unlabeled seed of their own production are not required to obtain a permit.

(b) Farmers selling cleaned, processed, packaged, and labeled seeds at retail, etc., pay on the basis of their gross receipts, though their first $3,000 in receipts is exempt.

(c) When seed taken from a properly labeled container is sold directly to the consumer.

(d) Seed or grain not intended for sowing or planting purposes.

(e) Seed in storage in or consigned to a seed-cleaning or processing establishment for cleaning or processing and labeled as not being for sale.

(f) Seed produced in Alabama and sold by the farmer producing such a seed to another farmer without advertisement.

(g) Seed sold by the grower without advertising and without holding himself as a dealer, unless such grower is a dealer, to a local merchant and resold by such local merchant.

(2) Testing is not conducted on uncleaned seeds.

DISTRIBUTION:

All proceeds are deposited into the Agricultural Fund, Department of Agriculture & Industries.

LEGISLATIVE HISTORY:

Acts 1943, No. 560, p. 552

Provided for regulation of the sale and distribution of seeds by the Department of Agriculture & Industries.

Acts 1963, No. 424, p. 931

Established permit fees ranging from $5 to $600.

Acts 1965, 2nd Ex. Sess., No. 118, p. 163 and Acts 1971, No. 1951, p. 3168

Further clarified the requirement for purchasing permits.

Acts 2004, No. 516, p. 996

Authorized the Board of Agriculture & Industries to establish current permit fees.

Shipping Point Inspection Fees

STATUTORY AUTHORITY:

Sections 2-9-20 through 2-9-22 Code of Alabama 1975, as amended.

TAX BASE:

Fees collected by the Department of Agriculture & Industries when agricultural shipping point and terminal market inspection services are provided by the Department.

TAX RATE:

Various fees as set by the Department of Agriculture & Industries and the federal government based upon the quantity, commodity, and type of inspection.

COLLECTIONS:

By the Department of Agriculture & Industries.

Fiscal Year	Collections ($)	Percent Change
2007-08	5,027,773	17.02
2006-07	4,296,627	(1.05)
2005-06	4,342,073	(10.18)
2004-05	4,834,186	17.61
2003-04	4,110,201	13.44

Source: "Comparative Summary of Revenues by Revenue Source" Report - Comptroller's Office.

MAJOR EXEMPTIONS:

None.

DISTRIBUTION:

All proceeds are deposited into the Shipping Point Inspection Fund, Department of Agriculture & Industries.

LEGISLATIVE HISTORY:

Acts 1956, 2nd Ex. Sess., No. 26, p. 296

Established the Shipping Point Inspection Fund; and authorized the Department of Agriculture & Industries to set, collect and deposit fees into the fund.

ALCOHOLIC BEVERAGE CONTROL REVENUES

Beer Tax

STATUTORY AUTHORITY:

Sections 28-3-1 and 28-3-183 through 28-3-199 Code of Alabama 1975, as amended.

TAX BASE:

Excise tax on the sale, storage, or receipt for the purpose of distribution of malt or brewed beverages.

TAX RATE:

State levy of $.05 per 12 fluid ounces or fraction thereof. Local beer taxes are uniform at the rate of $.04875 per 12 fluid ounces (Section 28-3-190, Code of Alabama 1975, as amended).

COLLECTIONS:

By the Alcoholic Beverage Control (ABC) Board. Deposits are made to the State Treasurer's Office.

Fiscal Year	Collections ($) (State Tax Only)	Percent Change
2007-08	55,982,717	0.38
2006-07	55,771,189	1.59
2005-06	54,899,110	3.68
2004-05	52,952,319	1.47
2003-04	52,183,043	14.73

Source: "Comparative Summary of Revenues by Revenue Source" Report – Comptroller's Office.

MAJOR EXEMPTIONS:

Sales between wholesalers or distributors and sales to certain agencies of the U.S. armed forces.

DISTRIBUTION:

(1) $.015 to the State General Fund.

(2) $.005 divided equally among the wet counties.

(3) $.01 to the Department of Human Resources.

(4) $.02 to the Education Trust Fund.

LEGISLATIVE HISTORY:

Acts 1936-37, No. 66, p. 40

Levied a $.005 excise tax on each 12 ounces of beer and distributed the proceeds to the State General Fund.

Acts 1945, No. 358, p. 575

Levied an additional $.005 excise tax on each 12 ounces of beer and distributed the proceeds of the additional tax equally to all counties in the state.

Acts 1955, 2nd Ex. Sess., No. 66, p. 177

Levied an additional $.01 excise tax on each 12 ounces of beer and distributed the proceeds of the additional tax to the Public Welfare Trust Fund.

Acts 1963, 2nd Ex. Sess., No. 92, p. 257

Repealed the 1945 and 1955 acts and levied an additional $.035 tax per 12 ounces of beer, making the total tax $.04 per 12 ounces of beer; and provided that the additional $.035 tax would be distributed $.005 equally to all counties in the state; $.01 to the Public Welfare Trust Fund; and $.02 to the Education Trust Fund.

Acts 1969, No. 746, p. 1324

Levied an additional $.01 tax per 12 ounces of beer and distributed the proceeds of the additional tax to the State General Fund.

Acts 1979, No. 802, p. 1475

Replaced the three separate state levies with one levy of $.05 per 12 ounces of beer and established the present distribution of the proceeds.

Acts 1982, No. 344, p. 473

Abolished all local beer taxes and established a levelized local beer tax of $.04875 per 12 ounces.

Acts 2004, No. 541, p. 1143

Amended Chapter 8B of Title 35, relating to community development districts, to require that if a dry county or municipality has a community development district, then that county or municipality will share in the distribution of alcoholic beverage tax and license revenues to local governments.

Acts 2007, No. 417, p. 869

Amended Chapter 8B of Title 35, relating to community development districts, to require that counties that contain a community development district will participate in the distribution of alcoholic beverage tax revenues to local governments, even if the community development district is located in a municipality. Also provided that any alcoholic beverage revenues received by a county as a result of this act will offset any T.V.A. in-lieu-of tax payments received by that county.

COMPARISON WITH NEIGHBORING STATES:

Florida

$.48 per gallon; $.06 per pint or fraction thereof; $.12 per quart. (Tax is equivalent to $.045 per 12 ounces.) No local rate.

Georgia

For standard containers, $.045 per 12 ounces plus local tax of $.05 per 12 ounces. For barrels, $10 per 31-gallon barrel with a proportionate rate for other quantities, plus a local tax of $6 per barrel containing not more than 15.5 gallons with a proportionate rate for other quantities.

Mississippi

$.4268 per gallon; $.04 per 12 ounces. No local rate.

Tennessee

$4.29 per barrel of 31 gallons (tax on barrels of more or less than 31 gallons is proportionate. Tax is equivalent to $.0130 per 12 ounces). Local rate is 17% of wholesale price. Additional tax of $.15 per case on wholesale sales.

A.B.C. Licensing and Penalty Revenue

STATUTORY AUTHORITY:

Sections 28-3-1, 28-3A-1 through 28-3A-26, 28-4A-1 through 28-4A-6, 28-7-5 through 28-7-15, and 28-10-1 through 28-10-8 Code of Alabama 1975, as amended.

TAX BASE:

Licenses and associated filing fees are required of distillers, manufacturers, importers, wholesalers, and retailers for the privilege of distributing alcoholic beverages within the State of Alabama.

TAX RATE:

(1) Annual license fees:

- (a) Manufacturer license, $500.
- (b) Importer license, $500.
- (c) Liquor wholesale license, $500.
- (d) Wholesaler's license for beer, $550; wine, $550; beer and wine, $750; plus $200 for each warehouse in addition to the principal warehouse.
- (e) Warehouse license, $200.
- (f) Lounge retail liquor license, $300.
- (g) Restaurant retail liquor license, $300.
- (h) Club retail liquor license; Class I, $300; Class II, $750.
- (i) Retail table wine license for off-premises consumption, $150.
- (j) Retail table wine license for on-premises and off-premises consumption, $150.
- (k) Retail beer license for on-premises and off-premises consumption, $150.
- (l) Retail beer license for off-premises consumption, $150.
- (m) Retail common carrier liquor license, $150 for each railroad, airline, bus line, ship line, vessel or other common carrier entity with a vehicle passenger capacity of at least 10 people.
- (n) Special retail license, $100 for 30 days or less; $250 for more than 30 days.
- (o) Special events retail license, $150.
- (p) Brewpub license, $1,000.
- (q) International Motor Speedway license, $300.

(2) Application filing fees, $50 with original application only.

(3) Filing fee for transfer of a license, $50.

(4) Responsible vendor fee, $35.

(5) Counties and municipalities may levy additional license fees on any of the licenses listed in (1) above.

COLLECTIONS:

By the ABC Board. Licenses are due and payable on or before October 1 of each year; county license fees are deposited to the state treasury and paid semiannually to the respective county; state license fees are deposited to the state treasury to the credit of the Beer Tax and License Fund and paid to the State General Fund and the ABC Board Fund no later than the end of the following month.

Fiscal Year	Collections ($)*	Percent Change
2007-08	3,077,648	3.81
2006-07	2,964,711	(8.53)
2005-06	3,241,220	4.02
2004-05	3,115,961	9.86

*State only.

Source: "Comparative Summary of Revenues by Revenue Source" Report - Comptroller's Office.

DISTRIBUTION:

(1) County license fees to the levying county.

(2) License, filing and permit fees to the State General Fund.

(3) Responsible vendor fees to the ABC Board Fund.

LEGISLATIVE HISTORY:

Acts 1936-37, No. 66, p. 40

Established the ABC Board and provided for its authority to regulate sales of alcoholic beverages.

Acts 1947, No. 298, p. 149

Established the licensing procedures for manufacturers and agents with license fees of $250 and $50, respectively.

Acts 1963, No. 589, p. 1285

Established the distributor's license tax at 3% of the gross receipts from the previous year.

Acts 1965, No. 766, p. 1398

Required that license tax proceeds be divided equally between the Public Welfare Trust Fund and the Special Mental Health Fund.

Acts 1979, No. 761, p. 1360

Repealed the 3% distributor's license tax; increased the associated filing fee from $250 to $500; and levied an additional excise tax of 3%.

Acts 1980, No. 529, p. 806

Revised the entire license code; added new categories and increased fees to the current rates except for club license which was a single rate of $750.

Acts 1981, No. 701, p. 1178

Amended license code to provide for two classes of club licenses and set rates for each license: Class I, $300; Class II, $750.

Acts 1986, No. 212, p. 276

Provided uniform definitions for the alcoholic beverage licensing code.

Acts 1990, No. 525, p. 767

Established the Responsible Vendor program; and provided for a $35 filing fee payable upon the issuance or renewal of a license to any licensee of the ABC Board certified as a responsible vendor.

Acts 1992, No. 535, p. 1078

Provided for the licensing of brewpubs to brew and sell beer on the same premises for on-premises consumption; and established the annual brewpub license fee at $1,000.

Acts 1997, No. 937, p. 506

Established the International Motor Speedway license and the annual license fee of $300.

Acts 2000, No. 146, p. 211

Clarified that the license fee for a wholesaler of beer is $550.

COMPARISON WITH NEIGHBORING STATES:

Florida

$15 to $4,000 according to business classification; initial fee of $10,750 for new liquor (quota) licenses.

Georgia

$25 to $1,000 according to business classification.

Mississippi

$10 to $4,500 according to business classification.

Tennessee

$20 to $2,000 according to business classification. Brand tax rates from $100 to $250 depending on sales quantity.

Liquor Taxes, Wine Taxes, and Stores' Profit

STATUTORY AUTHORITY:

Sections 28-3-53.2, 28-3-74, 28-3-200 through 28-3-207, 28-3-280 through 28-3-286 and 28-7-16 Code of Alabama 1975, as amended.

TAX BASE:

Liquor taxes are collected and profits are earned on sales of liquor and table wine in Alabama Alcoholic Beverage Control (ABC) Board stores and to private enterprises.

TAX RATE:

(1) Liquor is taxed at 56% of the marked-up price (mark-up is set by the Board and is currently cost plus 30% in ABC Board stores and cost plus 16.99% for case-lot sales to private enterprise). The 4% general sales tax is also applied to the retail price as well as an additional 2% sales tax on ABC store sales (with distribution of 1.5% of the additional 2% sales tax to the municipality in which it is collected and distribution of the remaining .5% to the county in which it is collected).

(2) Table wine is taxed at $.45 per liter. The 4% general sales tax is also applied to such sales as well as an additional 2% sales tax on ABC store sales (with distribution of 1.5% of the additional 2% sales tax to the municipality in which it is collected and distribution of the remaining .5% to the county in which it is collected).

COLLECTIONS:

By the ABC Board; deposits are made to the State Treasurer's Office. Distributions of net profits are made from time to time during the fiscal year; payments to counties and municipalities are made semiannually on or before February 1 and August 1 of each year. General sales tax collections by the ABC Board are reported monthly to the Department of Revenue and are accounted for as ordinary sales tax revenues. (See SALES TAX.)

Fiscal Year	Collections ($)*	Percent Change
2007-08	120,871,292	(0.01)
2006-07	120,887,302	5.06
2005-06	115,064,889	3.99
2004-05	110,650,598	8.67
2003-04	101,823,267	8.56

*Figures shown include all liquor and wine taxes, ABC Board profits and 5% markup on ABC Board store sales. General sales tax (4%) and special sales tax (2%) collections are not included.

Source: "Comparative Summary of Revenues by Revenue Source" Report – Comptroller's Office.

MAJOR EXEMPTIONS:

Sales to firms or persons outside the state and to certain agencies of the U.S. armed forces.

DISTRIBUTION:

(1) Proceeds from taxes on spirituous and vinous liquors:

- (a) 10% of the total marked-up price to the Human Resources Trust Fund (1955 tax).
- (b) 5% of the total marked-up price to the Human Resources Trust Fund (1959 tax).
- (c) 5% of the total marked-up price to the Alabama Special Mental Health Fund (1959 tax).
- (d) 13% of the total marked-up price to the State General Fund (5%, 1969 tax and 8%, 1988 tax.) (Up to 61.5% of this 13% may be used by the Mental Health Finance Authority if cigarette tax revenues appropriated under Section 40-25-23 of the Code are not sufficient to pay for bonds authorized by Title 41, Chapter 10, Article 11.)
- (e) 10% of the total marked-up price distributed as profit (1943 tax).
- (f) 1.5% of the total marked-up price to the Human Resources Trust Fund (1979 tax).
- (g) 1.5% of the total marked-up price to the Alabama Special Mental Health Fund (1979 tax).
- (h) 10% of the total marked-up price to the State General Fund (1980 tax).

(2) Proceeds from taxes on table wine:

- (a) $0.38 per liter distributed as profit (1983 tax).
- (b) $0.07 per liter distributed to county or municipality where sold (1983 tax).

(3) Other distributions:

- (a) 5% of ABC Board mark-up to State General Fund (1983 act).

(4) Profits:

- (a) First $2 million as follows:
  - (i) 50%, State General Fund.
  - (ii) 19%, Department of Human Resources.
  - (iii) 10%, divided equally among the wet counties.

(iv) 1%, divided equally among the wet counties for Public Health.

(v) 20%, cities where stores are located on a basis of ratio of profits earned by state store(s) in that municipality to total net profits of all Alabama liquor stores.

(b) First $200,000 above $2 million:

To all incorporated municipalities within the wet counties on basis of population.

(c) Remainder:

(i) 3.75% to wet counties on basis of population.

(ii) 1.25% to municipalities where stores are located (on population).

(iii) 6.25% to incorporated municipalities in the wet counties (on population).

(iv) 3.75% to Department of Human Resources

(v) 85% to State General Fund.

LEGISLATIVE HISTORY:

Acts 1936-37, No. 66, p. 40

Established the ABC Board and its authority to regulate the sale of alcoholic beverages.

Acts 1943, No. 99, p. 104

Levied the first 10% tax on the sales price of liquors and wines and credited collections to the Alcoholic Beverage Control Stores Fund as liquor profits.

Acts 1955, 2nd Ex. Sess., No. 78, p. 199

Established the second 10% levy on liquors and wines with the entire proceeds credited to the Department of Human Resources.

Acts 1959, No. 312, p. 889

Established the third 10% tax on liquors and wines and distributed 50% of the revenue to the Department of Human Resources and 50% to the Department of Mental Health.

Acts 1969, No. 550, p. 1033

Authorized an additional 5% tax on the sales price of liquors and wines to be credited to the State General Fund.

Acts 1978, 2nd Ex. Sess., No. 92, p. 1786

Provided that dry counties and municipalities therein would cease to receive any share of the Alcoholic Beverage Control revenue and that the profits allocated to the wet counties were to be divided proportionately among those counties and the municipalities therein.

Acts 1979, No. 182, p. 291

Imposed an annual privilege or license tax of $25 on the manufacture and a $.05 per gallon excise tax on the sale of native Alabama farm wines.

Acts 1979, No. 761, p. 1360

Repealed the 3% distributor's license tax and increased the associated filing fee from $250 to $500; and levied an additional excise tax of 3%.

Acts 1980, No. 382, p. 505

Allowed private enterprise sales of table wine in wet counties. Set up a separate taxing system for table wine at a rate of 35% of cost of the merchandise.

Acts 1980, No. 478, p. 749

Established an additional 10% tax on the marked-up price of spirituous and vinous liquors to be credited to the State General Fund.

Acts 1982, No. 427, p. 675

Established an additional 2% sales tax on the marked-up price of spirituous and vinous liquors; 75% to be distributed to the municipality and 25% to the county from which it was collected.

Acts 1983, No. 427, p. 607

Provided that after June 30, 1983 any additional markup will be credited to the State General Fund.

Acts 1983, No. 594, p. 927

Changed tax rate on table wine.

Acts 1988, 1st Ex. Sess., No. 869, p. 380

Levied an additional 8% tax on the sales price of spirituous and vinous liquors to be credited to the State General Fund; up to 61.5% of the revenues from this tax are pledged as a secondary source of revenue for the payment of certain mental health bond obligations should the primary source of revenue (cigarette tax) be insufficient to pay such obligations.

Acts 2001, 3rd Ex. Sess., No. 891, p. 713

Changed the distribution of ABC store profits and prohibited transfers to the State General Fund or state agencies in the annual General Fund budget act.

Acts 2001, 4th Ex. Sess., No. 1114, p. 1179

Repealed the native farm wine tax; and repealed and reenacted the table wine tax at present rates.

Acts 2004, No. 266, p. 368

Prohibited the ABC Board from increasing the markup on case lot sales of liquor and fortified wine after December 1, 2004.

COMPARISON WITH NEIGHBORING STATES:

Florida

Distilled Spirits:

Less than 17.259% alcohol	$2.25/gallon	$ .59/liter
17.259% to 55.78% alcohol	$6.50/gallon	$1.72/liter
55.78% plus alcohol	$9.53/gallon	$2.51/liter

Wine:

Less than 17.259% alcohol	$2.25/gallon	$.59/liter
17.259% plus alcohol	$3.00/gallon	$.79/liter
Natural sparkling wines	$3.50/gallon	$.92/liter
Cider	$ .89/gallon	$.23/liter

No local rate.

Georgia

Distilled Spirits:

In-state	$1.89/gallon	$ .50/liter
Out-of-state	$3.79/gallon	$1.00/liter
Local	up to $.22/liter (if sold by the package)	
	up to 3% of sales price (if sold by the drink)	

Alcohol:

In-state	$2.65/gallon	$ .70/liter
Out-of-state	$5.30/gallon	$1.40/liter

Table Wine:

In-state	$.417/gallon	$.11/liter
Out-of-state	$1.52/gallon	$.40/liter

Dessert Wine:

In-state	$1.02/gallon	$.27/liter
Out-of-state	$2.54/gallon	$.67/liter

Mississippi

Distilled Spirits:	$2.50/gallon	$.66/liter
Wine:		
Sparkling wine and champagne	$1.00/gallon	$.26/liter
All other wines	$ .35/gallon	$.09/liter

Additional markup is imposed on all alcoholic beverages sold by Mississippi's Alcoholic Beverage Control Division. No local rate.

Tennessee

Distilled Spirits:	$4.40/gallon	$1.16237/liter
Wine:	$1.21/gallon	$ .31966/liter

Additional tax of 15% of retail price for alcoholic beverages sold for on-premises consumption; and an additional tax of $.15 per case on wholesale sales. No local rate.

AUTOMOTIVE DISMANTLERS AND PARTS RECYCLERS LICENSE

STATUTORY AUTHORITY:

Sections 40-12-410 through 40-12-425 and 40-12-29 Code of Alabama 1975, as amended.

TAX BASE:

Privilege license on every person or business engaging in the business of purchasing and dismantling, disassembling or repairing wrecked, abandoned or repairable motor vehicles and selling the usable parts, or the motor vehicle as a unit at wholesale, or the hulk of the motor vehicle after salvageable parts have been removed. A person is presumed to be engaged in the dismantling and/or parts recycling business if he possesses ten or more inoperable vehicles for more than 30 days. (See MAJOR EXEMPTIONS.)

TAX RATE:

$225 annually.

COLLECTIONS:

By the Department of Revenue on October 1.

Fiscal Year	Collections ($)	Percent Change
2007-08	231,481	3.22
2006-07	224,251	7.19
2005-06	209,212	21.44
2004-05	172,279	3.44
2003-04	166,543	(10.43)

Source: Department of Revenue's "Revenue Abstract."

Beginning December 2003, collection data is included in the Miscellaneous Taxes data on the “Revenue Abstract.”

MAJOR EXEMPTIONS:

A business obtaining an automotive dismantlers and parts recyclers license may accumulate hulks and parts and may scrap them without first obtaining a separate license as a scrap processor or junk dealer and may engage in the business of an automotive dismantler and parts recycler without first obtaining a license as an automobile dealer, automobile accessory dealer, automobile garage or shop, or storage garage or yard. An automotive dismantlers and parts recyclers license is not required when inoperable motor vehicles

are being held by a licensed junk dealer or scrap processor for the purpose of recycling scrap metal or are being held by a licensed repair business awaiting repairs, or when a person, firm or corporation repairs, reconstructs or reconditions its own motor vehicles for its own use or disposes of a motor vehicle acquired for its own use.

DISTRIBUTION:

All proceeds are deposited into the State General Fund.

LEGISLATIVE HISTORY:

Acts 1979, No. 756, p. 1342

Established privilege license at current rate.

Acts 1981, No. 811, p. 1449

Allowed a licensee to file a condensed balance sheet in-lieu-of posting a cash bond; revoked the previously allowed provision for dealers, reconditioners, rebuilders and wholesalers to buy at salvage pools; revoked all previously issued buyer identification cards for use at salvage pools.

Acts 1991, No. 321, p. 595

Eliminated the balance sheet as an alternative to posting a cash bond; raised the amount of the required cash bond to $10,000.

COMPARISON WITH NEIGHBORING STATES:

Florida

No state license required; licenses may be required by local government.

Georgia

$150 license fee biennially.

Mississippi

$100 permit fee annually.

Tennessee

$200 permit fee biennially.

AVIATION GASOLINE TAX

STATUTORY AUTHORITY:

Section 40-17-31(d) Code of Alabama 1975, as amended.

TAX BASE:

Tax on sale, use, consumption, distribution, storage, or withdrawal from storage of gasoline for use as a fuel to propel aircraft.

TAX RATE:

The Commissioner of Revenue is authorized to adjust the rates to ensure that the net income derived from the aviation gasoline tax averages $600,000 per year. Presently, the rates are: (1) $.027 per gallon of gasoline or other fuel used to propel aircraft powered by reciprocating engines; and (2) $.009 per gallon for any fuel used to propel aircraft powered by jet or turbine engines. (Tax adjusted effective September 1st of each year.)

COLLECTIONS:

By the Department of Revenue on or before the 20th of each month.

Fiscal Year	Collections ($)	Percent Change
2007-08	669,586	0.17
2006-07	668,471	21.79
2005-06	548,862	(20.61)
2004-05	691,341	1.07
2003-04	684,002	(38.12)

Source: Department of Revenue's "Revenue Abstract."

MAJOR EXEMPTIONS:

(1) Agencies of the U.S. Government and the National Guard.

(2) Aviation fuel used in aircraft of an air carrier with a hub operation in this state.

(3) Aviation fuel used in jet or turbine aircraft destined for a foreign port or engaged in international flights or commerce.

DISTRIBUTION:

After the cost of collection is deducted, the proceeds are allocated to the State Airports Development Fund at the State Department of Transportation. (After paying any operating expenses associated with aeronautic activities including any debt service on aeronautic bonds, the Department provides grants to political subdivisions operating airports.)

LEGISLATIVE HISTORY:

Acts 1945, No. 367, p. 590

Established tax on all gasoline or other fuels used to propel aircraft at the same rate in effect for gasoline ($.06 per gallon).

Acts 1967, Ex. Sess., No. 221, p. 278

Authorized the Commissioner of Revenue to adjust the aviation fuel rate to ensure that the net revenue would be maintained at $450,000 annually; and reduced tax rate on aviation fuel to $.015 per gallon for gasoline and $.005 per gallon for jet fuel.

Acts 1977, No. 674, p. 1163

Authorized the Commissioner of Revenue to adjust rates to ensure that the net revenue from the aviation gasoline tax would be maintained at $500,000 annually.

Acts 1979, No. 714, p. 1267

Authorized the Commissioner of Revenue to adjust the aviation gasoline tax rate to ensure net revenue of $600,000 per 12-month period.

Acts 1986, No. 214, p. 282

Exempted fuel used in aircraft of an air carrier with a hub operation in Alabama.

Acts 2000, No. 220, p. 328

Via Sunset legislation, transferred Aeronautics Department and funds to the Department of Transportation.

Acts 2002, No. 153, p. 401

Effective October 1, 2002, exempted fuel used in jet or turbine aircraft destined for a foreign port or engaged in international flights or commerce.

COMPARISON WITH NEIGHBORING STATES:

Florida

An excise tax of $.069 per gallon on any type of aviation fuel; a refund or credit is allowed to a supplier delivering fuel to an air carrier providing intercontinental jet service and employs a specified number of workers; aviation fuel is not subject to local taxation.

Georgia

Aviation gasoline is taxed at $.01 per gallon plus an additional total sales tax of 4%; the 4% levy is applied to an average cost of a gallon of aviation fuel. The current 4% equates to a levy on non-state or local government entities of $0.173 per gallon and adjusted in May and November of each year.

Mississippi

Aviation gasoline tax of $.064 per gallon; also a levy of $.0525 for special fuels used in aircraft.

Tennessee

Aviation fuel is subject to a $.01 per gallon special tax, a 0.4% environmental assurance fee, plus a 4.5% sales and use tax.

BUREAU OF LOANS FEES

STATUTORY AUTHORITY:

Sections 5-2A-80 through 5-2A-83 (Bureau of Loans), Sections 5-18-1 through 5-18-24 (the Alabama Small Loan Act), 5-18A-1 through 5-18A-22 (the Alabama Deferred Presentment Services Act), 5-19-1 through 5-19-32 (the Alabama Consumer Credit Act), 5-19A-1 through 5-19A-20 (the Alabama Pawnshop Act), and 5-25-1 through 5-25-18 (the Alabama Mortgage Brokers Licensing Act) Code of Alabama 1975, as amended.

TAX BASE:

Initial application investigation, annual license and examination fees for the privilege of 1) operating a small loan company making loans of less than $1,000 (Alabama Small Loan Act); 2) extending consumer credit or taking assignments of consumer credit contracts (Alabama Consumer Credit Act); 3) offering cash advances by accepting and holding a check for a specified period of time (Alabama Deferred Presentment Services Act; and 4) soliciting, processing, placing and negotiating mortgage loans (Alabama Mortgage Brokers Licensing Act). Also, application, investigation, and annual license fees for operation in the business of lending money on the security of pledged goods left in pawn.

TAX RATE:

$500 annual license fee for each office, branch or place of business covered under the Alabama Small Loan Act, the Deferred Presentment Services Act and the Mortgage Brokers Licensing Act; $500 annual license fee for each office, branch or place of business for companies covered under Alabama Consumer Credit Act (companies licensed under both the Alabama Small Loan Act and the Alabama Consumer Credit Act pay only the consumer credit $500 annual license fee); $100 investigation fee accompanying the initial application; and examination fees which are set by the Superintendent of Banks. Currently the fee is $100 per person per day. Examinations of licensees must be conducted at least annually, with examination fees due at the time of the examination. Pawnbroker licenses are $100 for an annual license. Initial application fee is $50. The above fees are in addition to any applicable business license fee found in Title 40 of the Code of Alabama 1975.

COLLECTIONS:

By the State Banking Department; annual license fee due each October 1 for the one-year period ending the following September 30. Pawnbroker license fees and Mortgage Brokers license fees are due by December 1 of each year for the next calendar year. Deferred Presentment Services fees are due each January 1 for the one-year period ending the following December 31.

	Alabama Small Loan Act		Consumer Credit Act	
Fiscal Year	Collections ($)*	% Change	Collections ($)*	% Change
2007-08	67,350	180.63	700,550	19.45
2006-07	24,000	(46.70)	586,500	(15.10)
2005-06	45,025	52.63	690,825	16.03
2004-05	29,500	89.10	595,404	4.46

	Alabama Mortgage Brokers Licensing Act		Al Deferred Presentment Services Act	
Fiscal Year	Collections ($)*	% Change	Collections ($)*	% Change
2007-08	250,750	(16.14)	633,000	(2.65)
2006-07	299,000	9.61	650,250	(0.99)
2005-06	272,779	(10.80)	656,742	(3.66)
2004-05	305,804	3.96	681,675	12.93

	Alabama Pawn Shop Act	
Fiscal Year	Collections ($)*	% Change
2007-08	100,500	28.85
2006-07	78,000	(26.79)
2005-06	106,544	3.51
2004-05	102,930	(6.73)

*Collections shown include annual license fees only. One-time investigation fees and examination fees are not included in these amounts.

Source: "Comparative Summary of Revenues by Revenue Source" Report - Comptroller's Office.

MAJOR EXEMPTIONS:

(1) The Alabama Small Loan Act does not apply to:

(a) any person doing business under the authority of the state or U.S. Government relating to banks, trust companies, savings or building & loan associations, credit unions or pawnbroking businesses.

(b) any person making loans to their tenants engaged in agriculture.

(c) agricultural suppliers who make loans to persons whose principal business is farming.

(d) agricultural credit corporations or associations organized under an Act of Congress.

(e) the financing of the purchase of motor vehicles, refrigerators, or other personal property.

(f) loans insured or guaranteed by the U.S. Government.

(2) The Deferred Presentment Services Act does not apply to:

(a) banks, credit unions, savings associations, savings banks, and thrift institutions organized pursuant to laws of any state or of the United States and any parent of the foregoing entities.

(b) trust companies, life insurance companies and federally constituted agencies.

(3) The Alabama Consumer Credit Act (Mini-Code) does not apply to:

(a) any person doing business under the authority of the state or U.S. Government relating to consumer credit transactions involving an interest in real property, banks, trust companies, savings or building &

(b) loan associations, credit unions, life insurance companies, or pawnbroking businesses.

(c) federally constituted agencies.

(4) The Alabama Mortgage Brokers Licensing Act does not apply to:

(a) banks chartered by this state, any other state, or by the United States, bank holding companies and its subsidiaries, trust companies, savings or building and loan associations, savings banks and other thrift institutions, credit unions, life insurance companies, any affiliates or related companies of life, mutual, or property and casualty insurance companies, or affiliates of insurance holding companies, and all other affiliates of each of the above persons if more than 50% of the affiliate's shares or other ownership interests are owned or controlled by such person, and federally or state constituted agencies.

(b) any person licensed to make consumer loans or take assignments of consumer credit contracts.

(c) an attorney licensed to practice law in Alabama who is not principally engaged in negotiating mortgage loans when the attorney renders services in the course of his or her practice as an attorney.

(d) any person performing any act relating to mortgage loans under order of any court.

(e) a natural person who is employed by a licensed mortgage broker or person exempted from the licensing requirements of this chapter when acting within the scope of employment with the licensee or exempted person; or who solicits mortgage loans exclusively on behalf of a licensed mortgage broker or person exempted from the licensing requirements of this chapter when the natural person is acting within the scope of the agency of the licensee or exempted person.

(f) a nonresident making mortgage loans through a licensed mortgage broker.

(g) a person who is an approved mortgagee under the provisions of the National Housing Act and all branches, offices, and locations in Alabama.

(h) any person who has acted as a mortgage broker on no more than one mortgage loan during the preceding calendar year.

(i) any person who acts as a mortgage broker for mortgage loans to the person's employees, or officers or directors of such person or, if applicable, such person's employer or its affiliates with respect to those mortgage loans.

(j) any securities broker-dealer registered with the federal Securities and Exchange Commission.

(k) any person who sells goods or services on credit secured by any security interest in or any lien on any interest in real property located in Alabama, and who does not also make, or directly or indirectly solicit, process, place, or negotiate for a borrower, loans of money secured by a security interest in or lien on any interest in real property located in Alabama.

(l) any licensed real estate salesperson or broker who provides mortgage loan assistance in the course of doing business.

(m) any person acting as an officer, director, employee, agent, or producer of any affiliates or related companies of life, mutual, or property and casualty insurance companies, or affiliates of insurance holding companies, or any persons acting as an officer, director, employee, or agent of any bank, affiliate of a bank, bank holding company, subsidiary of a bank holding company, or of any other person specified as not subject to this chapter.

(5) The Alabama Pawnshop Act does not apply to:

(a) any bank which is regulated by the State Banking Department of Alabama.

(b) the Comptroller of the Currency of the United States.

(c) the Federal Deposit Insurance Corporation.

(d) the Board of Governors of the Federal Reserve System or any other federal or state authority; and all affiliates thereof and any bank or savings and loan association whose deposits or accounts are eligible for insurance by the Bank Insurance Fund or the Savings Association Insurance Fund or other fund administered by the Federal Deposit Insurance Corporation all affiliates thereof.

(e) any state or federally chartered credit union.

(f) any finance company subject to licensing and regulation by the State Banking Department pursuant to the Alabama Consumer Credit Act.

DISTRIBUTION:

License fees, investigation fees, and examination fees are deposited into the Banking Assessment Fees Fund for use by the State Banking Department.

LEGISLATIVE HISTORY:

Acts 1945, No. 159, p. 200

Created Bureau of Loans and established a $200 annual license fee to be paid by loan companies making loans of $300 or less. Exemptions same as present.

Acts 1951, No. 787, p. 1385

Provided for a $25 investigation fee to accompany initial application for license by loan companies making loans of $300 or less.

Acts 1957, No. 603, p. 862

Established an examination fee of $100 annually on all licensees of the Bureau of Loans with fees collected to be paid into the State General Fund and earmarked for the use of the State Banking Department.

Acts 1959, No. 374, p. 966

For loan companies making loans of $300 or less, increased investigation fee to current rate of $100; changed examination fee to $50 per day per examiner plus $10 per diem per examiner, to be limited to $400 total per year for licensees free from willful violations of this act; and provided that examination fees collected by the Bureau of Loans are deposited into a special fund to be used by the Bureau.

Acts 1971, No. 2052, p. 3290

Established $200 annual license fee and present rate of $100 investigation fee for all persons extending consumer credit not covered by the Alabama Small Loan Act; and increased examination fee to $60 and examiner per diem to $15.

Acts 1979, No. 327, p. 490

Increased the maximum amount to be considered as a "small" loan from $300 to $749; and changed the annual examination fee for small loan companies from $60 per day to "the actual cost of each examination."

Acts 1980, No. 444, p. 689

Provided that the examination of small loan companies, finance companies and any other holder of a license from the State Banking Department may be conducted at any "reasonable" time (previously annually); based examination fees for all holders of licenses from the State Banking Department on the actual cost of conducting the examinations, as determined by the Superintendent of Banks.

Acts 1983, No. 747, p. 1244

Increased the annual license fee to $400 for entities covered under the Small Loan Act and the Consumer Credit Act; and altered the distribution of collections schedule to the present schedule.

Acts 1992, No. 597, p. 1227

Provided for licensing and regulation of pawnshops.

Acts 1996, No. 576, p. 887

Increased the annual license fee from $400 to $500 for entities covered under the Alabama Consumer Credit Act.

Acts 2001, No. 692, p. 1439

Provided for licensing and regulation of mortgage brokers.

Acts 2002, No. 305, p. 863

Increased the maximum amount to be considered a "small" loan from $749 to less than $1,000; and increased the annual license fee for businesses regulated under the Small Loan Act from $400 to $500.

Acts 2003, No. 359, p. 992

Provided for licensing and regulation of businesses offering deferred presentment check-cashing services.

Acts 2004, No. 290, p. 407

Allowed for an acquisition charge (not in excess of 10% of the amount of the loan) and an account handling charge (rate structure based on the amount of the loan) on loans less than $1,000 as an alternative to interest rates and other charges currently permitted by a license.

Acts 2006, No. 238, p. 435

Allowed for the charge of an account maintenance fee of $3.00 for each month of repayment if such charge is provided for in the contract.

COMPARISON WITH NEIGHBORING STATES:

Florida

All loan companies required to pay $200 initial application investigation fee and $625 license fee during the two-year license period; renewal fees are $625 biennially. All businesses offering deferred presentment check-cashing services must pay a $250 application fee, a $1,000 filing fee; renewal fess are $1,000 biennially; failure to renew on time requires payment of a $500 late fee. Title loan companies pay a $200 investigation fee and a $1,200 license fee; renewal fees are $1,200 biennially. All mortgage brokerage companies must pay a $425 application fee; renewal fees are $375 for mortgage broker business license and $225 for each branch office biennially. Mortgage brokers pay a $200 application fee; renewal fees are $150 biennially. Licensed and regulated by the Office of Financial Regulation. Pawnshops must pay a $300 license fee annually and are regulated by the Department of Agriculture and Consumer Services.

Georgia

$500 annual license fee and monthly tax of 3% on total interest earned on any loan collected by companies making up to $3,000 cash loans. Small loan companies are licensed and regulated by Industrial Loan Division of the Insurance Commissioner's Office; $250 initial investigation fee. Pawnshops may be regulated by municipal authorities. Payday lending is a violation of Georgia law under Section 16-17-1 of the Code. Mortgage lenders pay $1,000 annually; mortgage brokers pay $500 annually; both pay a $250 investigation fee.

Mississippi

All loan companies, check cashing companies and title pledge companies are required to pay $750 initial license fee and $475 annual renewal license fee. Licensed and regulated by Department of Banking and Consumer Finance. $750 initial license fee and $475 annual renewal fee for mortgage loan companies; a $100 fee per branch office with renewal fees of $25. Exam fees not less than $300 but not more than $600 per office plus actual expenses for locations outside of Mississippi. All pawnshops are required to pay a $500 initial license fee and $350 renewal fee; a separate license of $350 is required for each place of business; license fees include the cost of examinations by the Department.

Tennessee

All loan companies required to pay $375 nonrefundable investigation fee, $325 annual registration fee, actual expenses for examinations, and a fee set by the commissioner for issuing a substitute certificate of registration. Check cashing companies must pay a $500 application fee per location, $100 nonrefundable investigation fee, and a $500 annual renewal fee per location. Deferred presentment checking companies must pay a $500 filing fee and a $500 annual renewal fee per location. Examination fees on check cashing companies and deferred presentment checking companies are $200 per day, per location not to exceed $1,200 per year for both types of checking companies. All mortgage companies must pay a nonrefundable investigation fee of $100 and a $500 initial and annual renewal license fee; each individual registrant must pay a $100 initial and annual renewal fee and companies must pay reasonable and actual expenses incurred for examinations; title pledge company initial and renewal annual license fees are statutorily set at no more than $800. The Commissioner in Tennessee has set, by regulation, both fees at $700. Examination fees are set at the same rates as for check cashing and deferred presentment companies. Pawnshops are not regulated at the state level. Licenses and renewal fees except those for pawnbrokers are regulated by the Department of Financial Institutions.

BUSINESS ENTITY TAXES/FEES

Agent's Occupational License Tax

CONSTITUTIONAL PROVISION:

Amendment No. 154 to the Constitution of Alabama of 1901 now appearing as Section 255.01 of the Official Recompilation of the Constitution of Alabama of 1901, as amended (proclaimed ratified November 18, 1960) Established agent's occupational license at present rate.

TAX BASE:

License tax paid by a qualifying foreign corporation in lieu of the business privilege tax. This tax is levied on any custodian or agent appointed under the provisions of this amendment by any foreign corporation which has no place of business in Alabama and whose only business in Alabama is to take and hold mortgages on real property in Alabama. The custodian or collection agent must be duly licensed to engage in the business of mortgage loan broker to hold securities, collect debts, make foreclosures, etc.

TAX RATE:

$100 for the first year for each foreign corporation represented; $5 annually thereafter for each corporation.

COLLECTIONS:

By the Department of Revenue on the anniversary date of the agent's initial payment.

Fiscal Year	Collections ($)	Percent Change
2007-08	0	-
2006-07	0	-
2005-06	0	(100.00)
2004-05	15	(87.50)
2003-04	120	(97.38)

Source: Department of Revenue's "Revenue Abstract."

DISTRIBUTION:

All proceeds are deposited into the State General Fund.

Business Privilege Tax

CONSTITUTIONAL PROVISIONS:

Section 232 of the Constitution of Alabama of 1901, as amended

States that the Legislature shall provide for the payment by foreign corporations to the state a corporate franchise tax, to be based on the amount of capital employed in the state. Exempts strictly benevolent, educational or religious corporations from the tax.

Section 229 of the Constitution of Alabama of 1901, as amended

States that the Legislature shall provide for the payment by domestic corporations to the state a corporate franchise tax, to be based on capital stock. Exempts strictly benevolent, educational or religious corporations, and certain federal building and loan associations and building and loan associations organized under the laws of Alabama.

Opinion of the Justices, 756 So. 2d 21 (Ala. 1999)

States that the Legislature is required to impose a franchise tax but may levy a franchise tax on domestic corporations based upon the amount of their net worth in this state.

STATUTORY AUTHORITY:

Sections 40-14A-1 through 40-14A-2, 40-14A-21 through 40-14A-29, and 40-14A-41 through 40-14A-43 Code of Alabama 1975, as amended.

TAX BASE:

Privilege tax on every corporation, limited liability entity, and disregarded entity doing business in Alabama or registered under the laws of Alabama. The tax is based on the taxpayer's net worth in Alabama. See Sections 40-14A-23 and 40-14A-24 Code of Alabama 1975, for a detailed definition of net worth and determination of net worth in Alabama.

TAX RATE:

The rate is determined by the taxpayer's taxable income apportioned and allocated to Alabama. The following schedule details the tax rates:

Taxable Income At least	But less than	Tax Rate (per $1,000 of net worth)
	$1	$.25
$1	$200,000	$1.00
$200,000	$500,000	$1.25
$500,000	$2,500,000	$1.50
$2,500,000		$1.75

The minimum tax for all taxpayers except financial institutions is $100.

For financial institutions, the minimum tax is based on the financial institution's total deposits in Alabama as determined by the following table:

Financial Institution's Total Deposits in Alabama	Tax Rate (per $1,000 of deposits)
Less than $1 billion	$.125
$1 billion - $6 billion	$.17
$6 billion or more	$.225

For purposes of determining total deposits in Alabama, all members of an affiliated group, as defined by Section 40-14A-22(f)(1)a., must aggregate their deposits. The maximum tax for all taxpayers except financial institution groups, insurance companies, nonprofit corporations organized solely to hold title to property and pay related expenses, and electing family limited liability entities is $15,000. The maximum tax for financial institution groups and insurance companies is $3 million. The maximum tax for nonprofit corporations organized solely to hold title to property and pay related expenses is $100. The maximum tax for electing family limited liability entities is $500. See Section 40-14A-1(h) for the definition of an electing family limited liability entity.

COLLECTIONS:

By the Department of Revenue. The tax return is due two and one-half months following the beginning of a corporation's tax year and three and one-half months after the beginning of a limited liability entity's tax year.

Fiscal Year	Collections ($)	Percent Change
2007-08	102,233,961	4.46
2006-07	97,868,855	11.92
2005-06	87,443,111	9.75
2004-05	79,676,376	10.40
2003-04	72,168,808	(3.01)

Source: Department of Revenue's "Revenue Abstract."

MAJOR EXEMPTIONS:

(1) Organizations described in 26 U.S.C. Section 501(a).

(2) Counties, municipalities, municipal corporations, the State of Alabama, and any corporation or association owned solely by counties, municipalities or the State of Alabama.

(3) Community chests, funds and foundations.

(4) Entities organized and operated exclusively for religious purposes.

(5) Homeowners' associations.

(6) Political parties, political action committees, and political campaign committees.

(7) Agricultural cooperatives.

DISTRIBUTION:

After deduction of the amount appropriated to the Department of Revenue as its costs of collection, the balance of the tax is distributed as follows:

(1) Each county receives the amount that it received from the franchise tax collections during the fiscal year ending September 30, 1999. This amount is increased by .75% each year beginning in the fiscal year ending September 30, 2000.

(2) Each county and each local ad valorem tax recipient agency of funds within each county receives the amount that it received from the domestic corporation assessment of shares tax during the fiscal year ending September 30, 1999. This amount is increased by .75% each year beginning in the fiscal year ending September 30, 2000.

(3) The balance is distributed to the State General Fund.

LEGISLATIVE HISTORY:

Acts 1999, 2nd Ex. Sess., No. 665, p. 131

Established the privilege tax at current rates, except for the minimum tax rate for financial institutions.

Acts 2000, No. 705, p. 1442

Established the current minimum tax for financial institution groups and made numerous other technical corrections to the privilege tax.

Corporation and Business Entity Filing Fees

STATUTORY AUTHORITY:

Sections 10-2B-1.22, 10-3A-200, 10-8A-1001, 10-8A-1006, 10-9B-104, 10-9B-902, 10-12-60, 10-12-61, 10-13-13, and 10-15-7 Code of Alabama 1975, as amended.

TAX BASE:

Fees paid by corporations and other types of business entities for filing documents and issuing certificates and for miscellaneous charges and penalties.

TAX RATE:

Fees for filing documents and issuing certificates for business corporations:	State of Alabama	Probate Judge
(1) Articles of incorporation.	$40	$35
(2) Application for reserved name.	$10	No fee
(3) Notice of transfer of reserved name.	$5	No fee
(4) Application for registered name (per month or fraction thereof).	$1	No fee
Minimum.	$5	
(5) Application for renewal of registered name.	$12	No fee
(6) Corporation's statement of change of registered agent or registered office or both.	$5	No fee
(7) Agent's statement of change of registered office for each affected corporation.	$5	No fee
(8) Agent's statement of resignation.	No fee	No fee
(9) Amendment of articles of incorporation that alter the name of a corporation.	$10	$10
(10) Amendment of articles of incorporation other than one altering the name of a corp.	No fee	$10
(11) Restatement of articles of incorporation with or without amendment of articles.	$10	$25
(12) Articles of merger or share exchange.	$50	$25
(13) Articles of dissolution.	$20	$10
(14) Articles of revocation of dissolution.	$10	$5
(15) Certificate of administrative dissolution.	No fee	No fee
(16) Application for reinstatement following administrative dissolution.	$40	$35
(17) Certificate of reinstatement.	No fee	No fee
(18) Certificate of judicial dissolution.	No fee	No fee
(19) Application for certificate of authority.	$175	No fee
(20) Application for amended certificate of authority.	$25	No fee

Fees for filing documents and issuing certificates for business corporations:	State of Alabama	Probate Judge
(21) Application for certificate of withdrawal.	$20	No fee
(22) Certificate of revocation of authority to transact business.	No fee	No fee
(23) Annual report.	$10	No fee
(24) Articles of correction of document filed with the Probate Judge.	No fee	$10
(25) Articles of correction of document filed with the Secretary of State.	$10	No fee
(26) Application for certificate of existence or authorization.	$5	No fee
(27) Any other document required or permitted to be filed by this chapter.	$5	$5
(28) The Secretary of State shall collect a fee of $1 per page for copying and a fee of $5 for certifying a copy of any filed document relating to a corporation. The Probate Judge shall collect a fee of $1.50 for copying and a fee of $1.50 for certifying the copy of any filed document relating to a corporation.		
(29) For requests for expedited handling of any filings, certifications, and certificates, a $100 surcharge is imposed.		

Fees for filing documents and issuing certificates for nonprofit corporations:	Secretary of State	Probate Judge
(1) Articles of incorporation and certificate of incorporation.	$20	$25
(2) Articles of amendment (without a name change).	No fee	$10
(3) Articles of amendment (with a name change).	$10	$10
(4) Restated articles of incorporation	No fee	$25
(5) Articles of merger or consolidation	$75	$25
(6) Change of address or change of registered agent, or both, for a domestic corp.	$5	$5
(7) Change of address or change of registered agent, or both, for a foreign corp.	$5	No fee
(8) Articles of dissolution.	$5	$5
(9) Application for and issuance of a certificate of authority.	$75	No fee
(10) Application for and issuance of an amended certificate of authority.	$25	No fee
(11) Amendment to articles of incorporation of a foreign corporation holding a certificate of authority.	$25	No fee
(12) Articles of merger of a foreign corporation holding a certificate of authority.	$100	No fee
(13) Certificate of withdrawal.	$5	No fee
(14) Filing any other statement or document.	$5	$5
(15) Certified copies $1.50 per page and $1.50 for the certificate and seal.		

Fees for filing documents and registrations for partnerships:	Secretary of State	Probate Judge
(1) Registration of a domestic limited liability partnership.	$40	$35
(2) Registration of a foreign limited liability partnership.	$40	No fee
(3) Annual fee for a limited liability partnership (each year following initial registration yr.)	$70	No fee
(4) Limited partnership report filing fee.	$5	No fee
(5) Registration of a foreign limited partnership.	$75	No fee

Fees for filing documents and registrations for limited liability companies:	Secretary of State	Probate Judge
(1) Articles of organization.	$40	$35
(2) Articles of amendment.	No fee	$10
(3) Restated articles of organization.	$10	$25
(4) Name and address of registered agent or change of name or address of registered agent, or both.	$5	No fee
(5) Articles of dissolution.	$10	$5
(6) Application of a foreign LLC for an amended certificate of authority.	$25	No fee
(7) Certificate of cancellation of a foreign LLC.	$20	No fee
(8) Copy of articles of merger.	No fee	$5 plus .50 per page in excess of 5 pages
(9) Application for registration as a foreign LLC.	$75	No fee
(10) Any other statement or report.	$10	No fee
(11) The Probate Judge collects $1.50 per page for certified copies and $1.50 for the certificate and seal.		
(12) The Secretary of State collects $1 per page for certified copies and $5 for the certificate and seal.		
(13) A $10 surcharge is imposed by the Secretary of State for expedited actions.		

Fees for filing documents for mergers of business entities:	Secretary of State	Probate Judge
(1) Change of registered agent or registered office or both.	$5	No fee
(2) Agent's statement of change of registered office for each business entity.	$5	No fee
(3) Agent's statement of registration.	No fee	No fee
(4) Certificate of merger or share exchange.	$50	$25
(5) Any other document filed under Chapter 15 of Title 10.	$5	$5

Fees for filing documents for mergers of business entities (cont'd):

(6) The Secretary of State collects $1 per page for certified copies and $5 for the certificate.

(7) The Probate Judge collects $1.50 per page for certified copies and $1.50 for the certificate and seal.

COLLECTIONS:

By Probate Judges and/or the Secretary of State.

Fiscal Year	Secretary of State Gross Collections ($)*	Percent Change
2007-08	3,406,360	(3.55)
2006-07	3,531,751	(4.98)
2005-06	3,716,836	14.00
2004-05	3,260,457	4.48
2003-04	3,120,748	5.24

*Includes collections deposited to the credit of the Secretary of State's Corporations Fund and to the State General Fund.

Source: "Comparative Summary of Revenues by Revenue Source" Report - Comptroller's Office.

DISTRIBUTION:

Funds collected by the Probate Judges are deposited into county treasuries. Funds collected by the Secretary of State from corporations, partnerships, real estate investment trusts, and mergers of business entities are deposited 70% to the State General Fund and 30% to the Secretary of State Corporations Fund. Funds collected by the Secretary of State from limited liability companies are deposited 80% to the State General Fund and 20% to the Secretary of State Corporations Fund.

LEGISLATIVE HISTORY:

Acts 1971, No. 1513, p. 2609

Established the Alabama Partnership Act.

Acts 1980, No. 633, p. 1094

Established the Alabama Business Corporation Act.

Acts 1981, 2nd Ex. Sess., No. 1073, p. 320

Eliminated $5 fee for filing annual reports.

Acts 1983, No. 513, p. 737

Established the Alabama Limited Partnership Act of 1983.

Acts 1984, No. 290, p. 502

Established the Alabama Nonprofit Corporation Act.

Acts 1988, 1st Ex. Sess., No. 899, p. 459

Established Secretary of State Corporations Fund and schedule for deposits of collections into the Fund; also increased filing fees for business corporations.

Acts 1993, No. 724, p. 1425

Established the Alabama Limited Liability Company Act.

Acts 1994, No. 245, p. 343

Repealed and reestablished the Alabama Business Corporation Act.

Acts 1996, No. 528, p. 685

Established the Uniform Partnership Act of 1996; and provided for limited liability partnerships.

Acts 1997, 1st Ex. Sess., No. 920, p. 312

Substantial revision of the Alabama Limited Liability Company Act.

Acts 1997, 1st Ex. Sess., No. 921, p. 335

Established the Alabama Limited Partnership Act of 1997.

Acts 2000, No. 211, p. 279

Established the Business Entities Conversion and Merger Act.

Acts 2000, No. 724, p. 1550

Increased the surcharge for expedited handling of filings by business corporations from $10 to $100.

COMPARISON WITH NEIGHBORING STATES:

Florida

The corporate franchise tax is in the form of a corporate income tax. Every domestic and foreign corporation except nonprofit corporations exempt from federal income tax must file an annual report and pay a $150 filing fee, collected when corporations file documents with the Department of State. For domestic and foreign corporations, articles of merger for each party, filing fees, registered agent designation, articles of dissolution, and amendment of any record, $35; filing for reinstatement for for-profit corporations is $600 and $175 for nonprofits; the foreign corporation name registration fee is $87.50. For limited liability companies, the annual report fee is $138.75; and the initial fee for a new LLC is $125. For limited partnerships, the initial filing fee is $1,000, and the annual report fee is $500.

Georgia

All domestic and foreign for-profit corporations, except insurance companies, pay an annual corporation franchise tax graduated from $10 for $10,000 of net worth or less to $5,000 for over $22 million of net worth. The tax is based on net worth, including capital stock and paid-in and earned surplus of domestic corporations, and on the proportion of issued capital stock and surplus employed in the state of foreign corporations. The Secretary of State collects the following sample of fees: articles of incorporation, $100; application for certificate of authority to transact business for foreign for-profit corporations, for foreign nonprofit corporations, and for foreign LLCs and LLPs, $225; and an annual registration fee for corporations, LLCs and LLPs, $30.

Mississippi

Every domestic and foreign corporation pays a franchise tax at the rate of $2.50 per $1000 of capital invested or employed in Mississippi ($25 minimum tax). Each domestic and foreign corporation pays a $25 filing fee that must accompany each corporation's annual report. The Secretary of State collects the following sample of filing fees: articles of incorporation, amendment to articles, restatement of articles, or articles of merger or share exchange, $50; articles of dissolution, $25; application for certificate of authority, $500; application for reinstatement, $50 for domestic and $100 for foreign corporations; and application for withdrawal, $25. LLC certificate of formation, amendment or merger, $50; registration of a foreign LLC, $250.

Tennessee

Every domestic and foreign corporation pays a franchise tax at the rate of $0.25 per $100 of net worth ($100 minimum tax). The Department of State collects the following fees: corporation charter and articles of merger or share exchange $100; application for certificate of withdrawal, articles of correction, articles of dissolution and amended and restated charter, $20; LLC articles of organization, $50 per member ($300 minimum, $3,000 maximum); LLP certificate, $50 per member ($250 minimum, $2,500 maximum); LP certificate, $100.

CIGARETTE TAX

STATUTORY AUTHORITY:

Sections 40-25-1 through 40-25-47 Code of Alabama 1975, as amended.

TAX BASE:

Privilege and use tax on the sale, storage, or distribution of cigarettes by wholesalers and retailers, and use by consumers. Tax is paid at wholesale level by affixing stamps to each individual package. (See also TOBACCO TAX.)

TAX RATE:

21.25 mills per cigarette ($.425 per pack of 20 cigarettes). (See LEGISLATIVE HISTORY, Acts 2004, No. 545.) Information on local rates follows LEGISLATIVE HISTORY.

COLLECTIONS:

By the Department of Revenue on a monthly basis. Privilege (stamp) tax is collected on the 20th of each month and Use Tax is collected on the 10th of each month. Wholesalers and jobbers are allowed a 7.5% discount.

Fiscal Year	Collections ($)	Percent Change
2007-08	139,546,263	(3.84)
2006-07	145,116,820	(2.40)
2005-06	148,692,015	0.96
2004-05	147,276,345	65.43
2003-04*	89,023,812	44.20

*Collections from the current tax rate began in June 2004.

Source: Department of Revenue's Tobacco Tax Section. Collection amount represents net cigarette collections after discounts and refunds.

MAJOR EXEMPTIONS:

A qualified wholesaler or jobber in Alabama may sell non-stamped tobacco products to a person outside the state, provided certain criteria defined in Section 40-25-15 Code of Alabama 1975, is met.

DISTRIBUTION:

(A) 38.82% as follows:

(1) 6.06% to the State Public Welfare Trust Fund for general welfare purposes.

(2) 9.09% for:

(a) Maturing bonds issued by the State Industrial Development Authority.

(b) Balance credited to the "General and Mental Health Fund" and distributed as follows:

(i) 36% to the State Health Officer for expenses incident to general health work.

(ii) 58% to the Department of Mental Health and Mental Retardation for mental health services.

(iii) 6% to the Alabama Mental Health Board to provide services for the mentally retarded.

(3) 12.12% for:

(a) Acquiring and constructing mental health facilities and paying the principal and interest on the bonded debt issued by the Alabama Mental Health Finance Authority.

(b) Balance to the "General and Mental Health Fund" and distributed as follows:

(i) 30% to the State Health Officer for expenses incident to general health work.

(ii) 70% to the Department of Mental Health and Mental Retardation to provide mental health services.

(4) 6.06% for:

(a) Maturing bonds of the State Parks Development Authority.

(b) Balance to the "State Parks Fund."

(5) 66.67% to the State General Fund.

(B) The remaining 61.18% as follows:

(1) Up to $2 million annually to the various counties levying a cigarette tax to offset administrative expenses of obtaining local stamps and to provide a discount to wholesalers and jobbers.

(2) Remaining revenues to the State General Fund to be used for Medicaid Services.

LEGISLATIVE HISTORY:

Acts 1935, No. 194, p. 256

Established cigarette tax rate as follows: 1.5 mills on those 3 inches or less; 3 mills over 3 inches and less than 6 inches; 6 mills on those in excess of 6 inches in length; and provided for the distribution of revenues to the Special Educational Trust Fund.

Acts 1945, No. 326, p. 528

Changed the tax rate on cigarettes as follows: 1.5 mills on each cigarette three and two-fifths inches or less; 3 mills on each cigarette three and two-fifths inches but less than five and one-half inches; and $.01 on each cigarette five and one-half inches or longer.

Acts 1955, 2nd Ex. Sess., No. 73, p. 188

Increased cigarette tax rate to 2 mills on each cigarette three and two-fifths inches or less; 4 mills on each cigarette three and two-fifths inches and less than five and one-half inches; and $.0133 on cigarettes five and one-half inches or longer. Also, changed distribution of revenues as follows: one-fourth to the Public Welfare Trust Fund for old age assistance purposes; and the balance to the Special Educational Trust Fund.

Acts 1959, 2nd Ex. Sess., No. 101, p. 318

Levied an additional cigarette tax of $.02 per pack of 20 or less; $.04 per pack of 21-40; and $.06 per pack of more than 40; and provided for the distribution of revenues from this additional tax to the Special Educational Trust Fund.

Acts 1959, 2nd Ex. Sess., No. 129, p. 380

Provided that the use tax is to be levied not only on the amount equal to the privilege tax, but also in an amount equal to any additional amount or amounts that may be levied by law.

Acts 1965, No. 654, p. 1177

Levied an additional cigarette tax of $.01 per pack of 20 or less; $.02 per pack of 21-40; and $.03 per pack of more than 40. All revenues from this additional tax were distributed as follows: (a) to pay principal and interest on bonds issued by the State Industrial Development Authority; and (b) the balance to the General Mental Health Fund to be distributed: 60% to the State Health Officer for general health work; 30% to Alabama state hospitals; and 10% to Partlow State School.

Acts 1967, No. 275, p. 784

Levied an additional cigarette tax of $.02 per pack of 20 or less; $.04 per pack of 21-40; and $.06 per pack of more than 40. All revenues from this additional tax were distributed as follows: (a) for acquiring and constructing mental health facilities and to pay principal and interest on bonds issued by the Mental Health Building Authority or the state for mental health facilities; and (b) the balance to the General Mental Health Fund to be distributed: 30% to the State Health Officer for general health work; and 70% to the Mental Health Board for mental health purposes.

Acts 1967, No. 309, p. 850

Levied an additional cigarette tax of $.01 per pack of 20 or less; $.02 per pack of 21-40; and $.03 per pack of more than 40. All revenues from this additional tax were distributed as follows: (a) to pay principal and interest on bonds issued by the State Parks Development Authority; and (b) the balance to the State Parks Fund.

Acts 1969, No. 168, p. 453

Changed the distribution of the additional tax levied by Acts 1965, No. 654 to appropriate as much as necessary for the retirement of additional bonds issued by the State Industrial Development Authority. Similar distribution change made by Acts 1971, No. 1402, Acts 1973, No. 1021 and Acts 1975, No. 1175.

Acts 1969, No. 551, p. 1034

Levied an additional cigarette tax of $.02 per pack of 20 or less; $.03 per pack of 21-40; and $.04 per pack of more than 40. All revenues from this additional tax were distributed to the State General Fund.

Acts 1973, No. 819, p. 1285

Changed the distribution of revenue for the cigarette tax that was established by Acts 1955, 2nd Ex. Sess, No. 73 by changing references to the use of funds distributed to the Public Welfare Trust Fund for "old age assistance purposes" to "general welfare purposes."

Acts 1978, 2nd Ex. Sess., No. 100, p. 1813

Amended the distribution of revenue to reallocate and appropriate as much as necessary for the retirement of additional bonds issued by the State Industrial Development Authority. Similar distribution change made by Acts 1981, 3rd Ex. Sess., No. 1141 and Acts 1983, 4th Ex. Sess., No. 922.

Acts 1980, No. 701, p. 1411

Levied an additional cigarette tax of $.04 per pack of 20 or less; $.08 per pack of 21-40; and $.10 per pack of more than 40. All revenues from this additional tax were distributed to the State General Fund.

Acts 1984, No. 309, p. 684

Increased tax on cigarettes by $.005 per pack of 20; abolished varying tax rates on cigarettes and established rate of 8.25 mills/cigarette or $.165 per pack of 20 cigarettes; and changed distribution formula to allocate the additional $.005 per pack of 20 to retire Industrial Development Bonds with residue allocated to Department of Mental Health and Mental Retardation.

Acts 1987, No. 550, p. 842, and No. 554, p. 857

Increased the debt service paid from cigarette tax receipts on maturing bonds issued by the State Industrial Development Authority; and decreased the distribution of such tax receipts annually to the State Health Officer and the Department of Mental Health and Mental Retardation.

Acts 1988, No. 475, p. 739

Established the Alabama Mental Health Finance Authority; pledged a portion of the cigarette tax proceeds, which was distributed to the Alabama Mental Health Building Authority, to the repayment of bonds issued by the Alabama Mental Health Finance Authority.

Acts 1988, No. 476, p. 749

Deleted the distribution of revenue derived from the cigarette tax to the Alabama Mental Health Building Authority and provided for the distribution of 12.12% of the said proceeds to the Alabama Mental Health Finance Authority. Also, changed references to the Mental Health Board to the Department of Mental Health and Mental Retardation.

Acts 1999, 2nd Ex. Sess., No. 650, p. 96

Effective January 1, 2001, deleted distribution of privilege/use taxes on cigarettes to the Education Trust Fund (formerly 30.30%) and increased distribution share to the State General Fund from 36.37% to 66.67%.

Acts 2004, No. 545, p. 1157

Increased the state cigarette tax rate to current rate and doubled the various taxes on other tobacco products; provided that no additional local taxes may be levied after the date of passage; provided that local taxes would be collected through the use of local stamps; and provided the current distribution of proceeds.

Acts 2006, No. 619, p. 1694

Required each person who makes delivery sales of cigarettes to a consumer located in the state to comply with state tax laws, license and revenue-stamping requirements, and escrow payment obligations and to file with the Department of Revenue a statement for each sale with the name and location of the purchaser, the brand and quantity of cigarettes sold, and an indication of whether or not the cigarettes bore a tax stamp evidencing payment of cigarette taxes.

NOTE REGARDING LOCAL RATES:

Pursuant to Acts 2004, No. 545, the state tax is in lieu of any other or additional local taxes and/or license fees other than those imposed by an act of the Legislature or an ordinance or resolution by a taxing authority passed or enacted prior to May 2004. The Department of Revenue administered the tax for 15 counties as of

September 30, 2007. After the passage of this act, the Department initially determined that it would not be economical for the state to have tax stamps prepared and issued for the county tobacco taxes, and the Department continued to collect county tobacco taxes with the use of a monthly report. However, Acts 2005, No. 315 of the 1st Ex. Session provided funding for the Department to use in supplying and distributing county cigarette tax stamps and the Department began collecting state-administered county cigarette taxes through the use of stamps effective February 1, 2006. Municipalities which levy a cigarette tax administer that tax themselves or through a collection agency.

COMPARISON WITH NEIGHBORING STATES:

Florida

Cigarettes weighing not more than 3 pounds per 1,000 are taxed at 16.95 mills each, or $.339 per pack of 20. Cigarettes weighing more than 3 pounds per 1,000 but not more than 6 inches in length are taxed at 33.9 mills each, or $.678 per pack of 20. Cigarettes weighing more than 3 pounds per 1,000 and more than 6 inches in length are taxed at 67.8 mills each, or $1.356 per pack of 20. Persons affixing stamps are allowed a 2% discount of the par value of stamps purchased computed on the basis of a $.24 per pack tax.

Georgia

Cigarettes are taxed at $.37 per pack of 20. Licensed distributors may be allowed discounts of not less than 2% nor more than 8% of the face value thereof, depending on the volume of cigarettes handled.

Mississippi

Cigarettes are taxed at 18/20 of a cent each, or $.18 per pack of 20, with a maximum length of 120 millimeters. Any cigarette in excess of this length is taxed as if it were two or more cigarettes. If the federal tax rate on cigarettes in effect on March 19, 1985 is reduced, then the rate of the tax will be increased by the amount of the federal tax reduction. A 4% discount is allowed to wholesalers with stamp purchases of $100 or more and to retailers on purchases of $50 or more.

Tennessee

Cigarettes are taxed at $.031 per cigarette or $.62 per pack of 20. An additional $0.0005 per pack fee is imposed on dealers or distributors. Wholesale dealers or manufacturing distributors and jobbers are allowed up to a 4.15% discount as set by the Commissioner of Revenue.

COAL SEVERANCE TAX

STATUTORY AUTHORITY:

Sections 40-13-1 through 40-13-10 and 40-13-30 through 40-13-36 Code of Alabama 1975, as amended.

TAX BASE:

Privilege tax levied on every person severing coal within Alabama.

TAX RATE:

The state collects two levies, of $.135 and $.20 per ton, which total $.335 per ton.

COLLECTIONS:

The severance tax levies are collected by the Department of Revenue on or before the 20th of each month.

Fiscal Year	Collections ($)*	Percent Change
2007-08	6,620,139	6.47
2006-07	6,217,983	(3.80)
2005-06	6,463,266	(11.99)
2004-05	7,344,141	6.74
2003-04	6,880,650	8.76

*Includes collections from both taxes.

Source: Department of Revenue's "Revenue Abstract."

DISTRIBUTION:

(1) Proceeds from the $.135 per ton levy are credited to the Alabama State Docks Bulk Handling Facility Trust Fund and are available to pay the principal and interest on revenue bonds, but funds are first drawn from the revenues derived from the docks facilities before any funds are drawn from the Bulk Handling Facility Trust Fund. The balance of coal severance tax proceeds in the Bulk Handling Facility Trust Fund are then transferred as follows: the first $300,000 to the Alabama Mining Academy; $500,000 to the Tuscaloosa County General Fund; $500,000 to the Jefferson County General Fund; and $200,000 to the Walker County Economic and Industrial Development Authority. Beginning with the 2006-07 fiscal year, the following transfers will be made annually in addition to the transfers listed above: $100,000 to the Community Development Foundation,

Inc.; $100,000 to the Marion County Community Development Association, Inc.; $100,000 to the West Alabama Development Association of Fayette County; $100,000 to the Jackson County Economic Development Association; and $100,000 to the West Alabama Economic Development Association. Any remaining monies are credited to the State General Fund.

(2) Proceeds from the $.20 per ton levy are distributed to the cities and counties in which the coal was severed.

LEGISLATIVE HISTORY:

Acts 1971, No. 2305, p. 3719

Established the coal severance tax of $.135 per ton of coal and provided for its collection and disposition.

Acts 1971, No. 2306, p. 3724

Amended the act that authorized the issuance of $15 million in bonds for the State Docks and then levied a special handling charge of $.25 per ton on coal to be used to pay debt service on the bonds issued by that act. Upon repayment of the bonds the special handling charge was discontinued.

Acts 1977, No. 598, p. 799

Imposed an additional levy of $.20 per ton of coal severed and required that such proceeds be distributed to the counties and cities wherein the coal was severed; and prohibited local taxation of coal or lignite.

Acts 1980, No. 645, p. 1217

Repealed provisions of the $.135 per ton levy which allowed proceeds in excess of the amount required to pay annual principal and interest on port facility bonds to be refunded to coal producers to provide that residual proceeds be credited to the State General Fund.

Acts 1985, No. 648, p. 1005

Provided that the Alabama State Docks may receive proceeds from certain coal severance taxes in order to pay for expenses and operating costs of its coal handling facilities.

Acts 1990, No. 562, p. 956

Provided that the $.135 per ton excise and privilege tax on coal (the 1971 levy) would terminate on October 1, 2006, unless extended by the Legislature.

Acts 1993, No. 680, p. 1301

Provided further for the distribution of the $.135 per ton levy by transferring the following before any proceeds are credited to the State General Fund: first $300,000 to the Alabama Mining Academy; $500,000 to the Tuscaloosa County General Fund; $500,000 to the Jefferson County General Fund; and $200,000 to the Walker County Economic and Industrial Development Authority.

Acts 1997, No. 615, p. 1078

Provided further for the distribution of the $.135 per ton levy distributed to the Tuscaloosa County General Fund.

Acts 2006, No. 386, p. 984

Provided further for the distribution of the $.135 per ton levy by transferring additional amounts beginning with the 2006-07 fiscal year (see DISTRIBUTION). Also extended the termination date of the $.135 per ton levy to October 1, 2011.

COMPARISON WITH NEIGHBORING STATES:

Florida, Georgia and Mississippi

No comparable taxes on coal.

Tennessee

$.20 per ton.

CONSERVATION AND NATURAL RESOURCES

Boat Registration Fees

STATUTORY AUTHORITY:

Sections 33-5-1 through 33-5-20 Code of Alabama 1975, as amended.

TAX BASE:

(1) An annual certificate of registration fee on every vessel on the waters of the State of Alabama.

(2) A change of ownership fee.

(3) An inspection fee on all homemade vessels that require a hull identification number.

TAX RATE: (Rate schedule for vessels effective September 2007. For previous rate schedule see LEGISLATIVE HISTORY.)

Class 1. less than 16ft - $18, plus $2 issuance fee

Class 2. 16ft to 26ft - $23, plus $2 issuance fee

Class 3. 26ft to 40ft - $73, plus $2 issuance fee

Class 4. 40ft or over - $98, plus $2 issuance fee

The above stated fees also apply to livery boats.

Change of Ownership Fee: $3, plus $2 issuance fee

Duplicate Fee: $3, plus $2 issuance fee

Class 5. Dealer or Manufacturer; temporary license - $23, plus $2 issuance fee

Inspection Fee: $25 for each homemade vessel that requires a hull identification number.

Issuance fees are retained by the probate judge or issuing officer (if on a fee basis) or deposited to the county treasury.

COLLECTIONS:

By probate judges or any other official authorized to issue automobile plates, to be remitted to the Department of Conservation and Natural Resources no later than 10 days after the 1st of each month. Registrations are issued on a staggered basis like motor vehicle registrations.

Fiscal Year	Boat Registration Fees Collections ($)	Percent Change
2007-08	6,196,768*	62.58
2006-07	3,811,600	(0.12)
2005-06	3,816,215	3.42
2004-05	3,690,064	1.75
2003-04	3,626,720	1.06

Fiscal Year	Boat Ownership Transfer Fees Collections ($)	Percent Change
2007-08	78,591*	183.09
2006-07	27,762	0.63
2005-06	27,589	2.13
2004-05	27,013	(0.99)
2003-04	27,283	4.87

* Collections from current rate schedule began in FY 2008.

Source: "Comparative Summary of Revenues by Revenue Source" Report - Comptroller's Office.

MAJOR EXEMPTIONS:

(1) A vessel operating under valid temporary certificate or number.

(2) A vessel already covered by a number in full force and effect which has been awarded to it pursuant to federal law or a federally approved numbering system of another state; provided that such vessel shall not have been within this state for period in excess of 90 consecutive days.

(3) A vessel under registry from a country other than the U.S. temporarily using the waters of this state.

(4) A vessel owned by the U. S., or a state, county, or municipality.

(5) A ship's lifeboat.

(6) A vessel not propelled by machinery, except sail boats and boats for hire.

DISTRIBUTION:

All proceeds (except issuance fees) are deposited to the credit of the State Water Safety Fund to be used solely for the administration of the registration program.

LEGISLATIVE HISTORY:

Acts 1959, No. 576, p. 1442

Established the registration of vessels; established a numbering and identifying system in compliance with the Federal Boating Act of 1958; established exemptions from numbering provisions; and established license fees on vessels as follows: Class 1-$2; Class 2-$3; Class 3-$6; Class 4-$12; Class 5-$10 plus a $.25 issuance fee.

Acts 1961, No. 878, p. 1377

Amended Act 59-576 relating to the distribution of proceeds and changed the Class 5 registration fee to $10 for first license and $1 for each additional license.

Acts 1965, No. 787, p. 1473

Provided the fee of $1 for the registration of an ownership change, with an issuance fee of $.25; also provided for a duplicate of a lost or misplaced registration certificate for $.50.

Acts 1971, No. 2081, p. 3352

Increased the annual license fees for vessel registrations as follows: Class 1-$4; Class 2-$6; Class 3-$12; Class 4-$24; Class 5 first license-$20 and each additional license-$2. Livery: Class 1-$2; Class 2-$3; Class 3-$6. Also, increased the issuance fees on registrations to $.50.

Acts 1981, No. 296, p. 377

Increased the annual license fees for vessel registrations as follows: Class 1-$6; Class 2-$10; Class 3-$20; Class 4-$40; Class 5 first license-$25 and each additional license-$3. Livery: Class 1-$4; Class 2-$6; Class 3-$8.

Acts 1984, No. 446, p. 1040

Provided for a statewide fee schedule for the collection of various license fees by probate judges and increased said fee from $.50 to $1.

Acts 1988, No. 552, p. 868

Established a staggered system for annual vessel registrations (same schedule as for motor vehicle registration).

Acts 1993, No. 754, p. 1508

Increased the annual license fees for vessel registration as follows: Class 1-$11; Class 2-$15; Class 3-$30; Class 4-$50. Also provided that the above fees also apply to livery boats.

Acts 2007, No. 420, p. 896

Increased annual license fees for vessel registration, issuance fees, and change of ownership fees to current rates. Also, established the inspection fee for all homemade boats requiring hull identification numbers at current rate.

COMPARISON WITH NEIGHBORING STATES:

Florida

Annual rate schedule for vessels:

Class A1 - 12ft or less - $7.25
Class A2 - 12ft to 15ft - $14.25
Class 1 - 16ft up to 25ft - $22.25
Class 2 - 26ft up to 39ft - $54.25
Class 3 - 40ft up to 64ft - $86.25
Class 4 - 65ft up to 109ft - $102.25
Class 5 - 110ft or more - $126.25
Dealers - $20.25
Application Fee on Title Transfers - $6.25
Class 4 - 65ft up to 110ft - $102.25

Georgia

Three-year rate schedule for vessels:

Class A - less than 16ft - $15
Class 1 - 16ft but less than 26ft - $36
Class 2 - 26ft but less than 40ft - $90
Class 3 - 40ft and over - $150
Title Transfer Fee - $3

Mississippi

Three-year rate schedule for vessels:

<u>Original and Renewal</u>

Under 16ft - $9.20
16ft to less than 26ft - $24.20
26ft to less than 40 ft. - $46.70
40 ft. and over - $46.70
Dealer number - $39.20
Title Transfer Fee – same fee as registration depending on size of vessel
Duplicate - $6.70

Tennessee

Vessels can be registered for one, two or three years upon the option of the owner.

Size	1 yr	2 yr	3 yr
Class A-under 16ft	$13	$24	$35
Class 1-16ft to 26ft	$25	$48	$71
Class 2-26ft to 40ft	$38	$72	$107
Class 3-40ft or more	$51	$97	$142
Dealer/Manufacturer	$32	$64	$95
Duplicate certificate	$6		

Freshwater Fishing Licenses

CONSTITUTIONAL PROVISIONS:

Amendment No. 272 to the Constitution of Alabama of 1901, now appearing as Section 219.01 of the Official Recompilation to the Constitution of Alabama of 1901, as amended (ratified December 13, 1967)

Created the Game and Fish Fund and provided that all monies derived from the sale of hunting and fishing licenses or permits are to be deposited into said fund.

STATUTORY AUTHORITY:

Sections 9-11-32 through 9-11-43, 9-11-53, 9-11-53.3, 9-11-54 through 9-11-55.1, 9-11-55.3, 9-11-56, 9-11-65, 9-11-65.2, 9-11-68, and 9-11-71 Code of Alabama 1975, as amended.

TAX BASE:

A fee paid by persons desiring to fish in Alabama waters. Annual licenses are valid from September 1 or the date of issuance to the next August 31.

TAX RATE: Effective September 2007, based on revised fee schedule established by Acts 2007, No. 418. For previous rates, see LEGISLATIVE HISTORY.

Resident Licenses	License Fee	Issuance Fee[3]	Total Fee
Annual Freshwater[1]	$11	$1	$12
Lifetime Freshwater Fishing[1]	$150 to $250 (based on age)	Included in license fee	$150 to $250 (based on age)
Lifetime Combination Freshwater/Saltwater Fishing[1]	$400 to $600 (based on age)	Included in license fee	$400 to $600 (based on age)
Lifetime Combination Hunting/Freshwater Fishing[1]	$450 to $700 (based on age)	Included in license fee	$450 to $700 (based on age)
Lifetime Combination Hunting/Freshwater and Saltwater Fishing[1]	$700 to $1,050 (based on age)	Included in license fee	$700 to $1,050 (based on age)
64 Lifetime License[4]	See Notes	See Notes	See Notes
Special Totally Disabled Person	No charge	$1	$1
Disabled Military Veteran[1]	$2	$1	$3
Annual Wildlife Heritage[5]	$9	$1	$10
Lifetime Wildlife Heritage[5]	$200	Included in license fee	$200

Nonresident Licenses	License Fee[2]	Issuance Fee[3]	Total Fee
Annual Freshwater	$44	$2	$46
7-day Freshwater	$24	$2	$26

1 Persons obtaining the resident freshwater fishing license are also entitled to all the privileges of the wildlife heritage license.

2 Nonresident license fees for residents of Florida, Georgia, Louisiana, Mississippi, and Tennessee are the same as license fees charged Alabama residents for similar licenses in those states.

3 Issuance fees are in addition to the license fee, except as specified above, and are retained by the probate judge, license commissioner or other authorized license agent. All fees collected by a probate judge or license commissioner, who is paid a salary for the performance of his or her duties, are deposited in the county treasury.

4 A person 64 years of age when procuring an annual freshwater or saltwater license will be issued the license on a lifetime basis for the same fees that would have been paid for the annual license.

5 The wildlife heritage license allows a person to: (1) fish in waters under the jurisdiction of the Division of Wildlife and Freshwater Fisheries with a hook and line from the bank other than in the person's county of residence; (2) fish in public fishing lakes operated by the Division of Wildlife and Freshwater Fisheries; (3) hunt small game, except waterfowl, on wildlife management areas; and (4) shoot on Division of Wildlife and Freshwater Fisheries shooting ranges.

NOTE: Pursuant to Acts 2007, No. 418, beginning in FY 2011, the above license fees and accompanying issuance fees for all licenses, with the exception of the special totally disabled person license, are subject to possible annual adjustment based on the percentage increase in the Consumer Price Index (CPI), if recommended by the Commissioner and approved by the Department's Advisory Board.

COLLECTIONS:

By the probate judges, license commissioners, or other person authorized and designated to issue fishing licenses remitted to the Department of Conservation and Natural Resources on the 1st of each month.

Fiscal Year	Annual License Collections ($)[1,3]	Lifetime License Collections ($)[2,3]	Wildlife Heritage License Collections[3]	Totals ($)	Percent Change
2007-08	5,796,020	424,495	12,959	6,233,474	4.34
2006-07	5,198,010	774,736	1,386	5,974,132	20.30
2005-06	4,677,536	288,326	N/A	4,965,862	7.24
2004-05	4,429,401	201,121	N/A	4,630,522	(2.05)
2003-04	4,460,933	266,588	N/A	4,727,521	6.19

[1] Includes collections from annual freshwater and trip licenses.

[2] Includes receipts from lifetime freshwater licenses only.

[3] Collections from current fee schedule began in September 2007.

Source: "Comparative Summary of Revenues by Revenue Source" Report – Comptroller's Office.

MAJOR EXEMPTIONS:

(1) All persons under the age of 16.

(2) Any resident of this state over 65 years of age, provided that said resident has on his person while fishing, a driver's license (or, in the case of nondrivers, proof of permanent Alabama residence and age).

(3) Florida residents over 65 years of age.

(4) Any person or member of his immediate family who fishes in a private pond on lands owned by him or any tenant or member of his immediate family who fishes in a private pond on lands leased or rented by such tenant and who resides on such lands.

(5) Persons fishing from the bank with an ordinary hook and line in his county of residence; provided, that any person who fishes with hook and line in his own county of residence shall be required to have on his person, while so fishing, a reasonable proof of said residency in such county.

(6) Persons fishing at "commercial fee fishing ponds" pursuant to the provisions of Article 17 of Chapter 11 of Title 9.

(7) Members of the U.S. armed forces when the U.S. is engaged in a war.

(8) Residents who have purchased a lifetime fishing license or combination fishing/hunting license are exempt from purchase of saltwater fishing license if the lifetime license was purchased prior to March 31, 1992.

(9) Residents on leave from active military duty who have proof of his or her status in his or her possession.

(10) A member of the U.S. military stationed in Alabama on active duty and his or her spouse and their dependents who reside with them are deemed residents for hunting and fishing license purposes.

DISTRIBUTION:

(1) Resident freshwater fishing license fees - 100% to Game and Fish Fund.

(2) Resident lifetime freshwater fishing license fees and lifetime combination hunting/freshwater fishing license fees - 100% to Alabama Game and Fish Endowment Fund within the Game and Fish Fund.

(3) Resident lifetime combination freshwater/saltwater and hunting/freshwater and saltwater - the portion of the license fee representing the amount of lifetime freshwater or hunting license to the Alabama Game and Fish Endowment Fund and the balance of the fees charged for each license to the Alabama Marine Resources Endowment Fund.

(4) 64 lifetime freshwater license - 100% to the Alabama Game and Fish Endowment Fund.

(5) Nonresident freshwater fishing license (annual and trip) fees - 100% to Game and Fish Fund.

(6) Wildlife heritage license fees – 100% to the Game and Fish Fund, with the first $500,000 of license revenue utilized by the Division of Wildlife and Freshwater Fisheries for the purpose of research on wildlife and wildlife habitat.

LEGISLATIVE HISTORY:

Acts 1923, No. 588, p. 762

Established freshwater fishing license fees for nonresidents for annual fee of $5; created the Fish Hatchery Fund into which all revenues arising from the sale of fishing licenses and from fines, penalties and forfeitures were to be deposited; and authorized probate judges to retain $.15 of license fee.

Acts 1935, No. 240, p. 632

Provided for nonresident 7-day trip freshwater fishing license fees for fee of $2; provided that receipts from all hunting and fishing license fees, penalties, forfeitures, etc. to be deposited to Game and Fish Fund.

Acts 1936-37, Ex. Sess., No. 147, p. 165

Provided a $1 resident fishing license fee for those over the age of 16 while fishing with rod and reel and fishing with artificial bait.

Acts 1971, No. 1980, p. 3222

Amended the method of obtaining a resident fishing license, requiring that residents between the ages of 16 and 65 purchase such licenses; provided issuance fees of $.25 for the resident license and $.15 for persons over the age of 65; and provided exemptions for fishing in a private pond and for fishing with a hook and line in a resident's county of residence

Acts 1975, No. 1209, p. 2523

Provided the issuance fee for all licenses sold by the Game and Fish Division of the Department of Conservation and Natural Resources to be $.25.

Acts 1977, No. 351, p. 468

Increased the nonresident fishing license fee to $10 and expanded it to include salt and brackish water (as well as freshwater) and provided for issuance fee of $.25; provided that of the new $10 fee, $7 to be deposited to Game and Fish Fund and $3 to Marine Resources (Seafoods) Fund; increased nonresident trip fishing license to $4 and expanded it to include salt and brackish water; and provided that of the new $4 fee, $3 to be deposited to Game and Fish Fund and $1 to Marine Resources (Seafoods) Fund.

Acts 1979, No. 803, p. 1481

Increased the cost of resident fishing licenses to $6; and restricted the hook and line license to the county in which the licensee resides.

Acts 1981, 3rd Ex. Sess., No. 1122, p. 386

Established a lifetime resident hunting license fee of $200; lifetime resident freshwater fishing license fee of $100; and a combination lifetime hunting/freshwater fishing license fee of $300 and provided that such license fees be deposited into a special account known as the Alabama Game and Fish Endowment Fund within the Game and Fish Fund.

Acts 1984, No. 446, p. 1040

Increased license issuance fee for probate judges to $1 per license.

Acts 1986, 1st Ex. Sess., No. 649. p. 31

Exempted nonresidents under the age of 16 from fishing license requirements; increased nonresident fishing license fee to $15, except that license fees for residents of Florida, Georgia, Louisiana, Mississippi, and Tennessee to be that charged Alabama residents by those states; increased nonresident 7-day trip license fee to $7 and provided for same reciprocal arrangement with certain other states as annual license; provided for current distribution of nonresident fishing license fees; and provided 90% of the above license fees deposited into the Game and Fish Fund and 10% deposited into Marine Resources (Seafoods) Fund.

Acts 1988, Ex. Sess., No. 805, p. 242

Increased the annual resident freshwater fishing license fee to $8.50; provided for a reciprocal agreement with Florida to exempt residents of Alabama over 65 years of age from the requirement of procuring a fishing license; and provided for the issuance of a combination hunting/fishing license.

Acts 1989, No. 300, p. 487

Increased the fees for lifetime resident freshwater fishing license to $150; lifetime resident hunting license to $300; combination lifetime resident hunting/freshwater fishing license to $450; and prohibited nonresident Alabama property owners from obtaining lifetime hunting, lifetime fishing or combination lifetime hunting/fishing licenses.

Acts 1993, No. 322, p. 486

Established the resident 7-day freshwater trip license at $5 and nonresident annual combination saltwater/freshwater license at $60; decreased the resident annual combination saltwater/freshwater license to $23.50 and changed distribution; and increased nonresident annual freshwater license to $30 and nonresident 7-day freshwater license fees to $10.

Acts 1996, No. 667, p. 1129

Increased issuance fee for disabled persons from $.25 to $1; and provided for the issuance of the licenses to be on a continuous basis during the period of disability.

Acts 2000, No. 735, p. 1604

Established the 64 lifetime licenses at the current rates and distribution; changed the effective date of Act 99-660, 2nd Ex. Sess. from November 29, 2000 to June 1, 2000.

Acts 2000, No. 742, p. 1647

Established the annual resident sportsman's license at $58.50 and provided distribution of $15 to the Marine Resources Fund and the balance to the Game and Fish Fund. (See also Hunting Licenses LEGISLATIVE HISTORY Acts 2000, No. 742 for hunting provisions.)

Acts 2004, No. 449, p. 794

Authorized U.S. military personnel stationed in Alabama on active duty to be deemed residents for hunting and fishing license purposes; exempted Alabama residents that are active members of the National Guard and certified law enforcement personnel from hunter safety education requirements; clarified that hunting and fishing licenses are not transferable and authorized residents of the state on leave from active military duty to hunt or fish without obtaining a license.

Acts 2007, No. 418, p. 874

Wildlife Heritage Act of 2007. Increased the license fees for the following freshwater fishing licenses to current rates: annual resident; annual nonresident (including issuance fee); nonresident 7-day trip (including issuance fee); lifetime resident freshwater fishing; lifetime resident hunting/freshwater fishing license; and lifetime resident hunting/saltwater and freshwater fishing license. Provided that these license fees and accompanying issuance fees are subject to possible annual adjustment beginning in FY 2011 based on the percentage increase in the Consumer Price Index (CPI) if such adjustment is recommended by the Commissioner and approved by the Department's Advisory Board. Also, repealed laws providing for the issuance of annual resident hunting and fishing licenses on a combination basis, resident 7-day trip freshwater fishing license, resident combination freshwater/saltwater license, and the sportsman's license. Established the disabled military veteran license, annual resident wildlife heritage license and lifetime resident wildlife heritage license at their present rates. (See also Hunting Licenses LEGISLATIVE HISTORY Acts 2007, No. 418 for hunting provisions.)

COMPARISON WITH NEIGHBORING STATES:

License	Florida	Georgia	Mississippi	Tennessee
Resident:				
Annual Freshwater	$17		$8	
Annual Combination Freshwater/Saltwater	$32.50	$9		
Annual Combination Hunting/Freshwater Fishing	$32.50		$17	$28
Annual Combination Hunting/Fishing	$48	$17		
Annual Combination Small Game Hunting/Freshwater Fishing			$13	
Annual Junior (Ages 13-15) Combination Hunting/Fishing				$8
Annual Sportsman	$80.50	$60	$32	$136
Gold Sportsman (includes saltwater fishing)	$100			
Senior 64 License (Includes all licenses included in Sportsman)	$17			
Annual Senior Citizen Permit				$41
3-Day Freshwater			$3	
1-Day All Fish				$5.50
Trout License		$5		$18
5-Year Freshwater	$79			
Lifetime Senior Citizen Hunting/Fishing		Free		$11
Lifetime Disabled Hunting/Fishing				$10

Lifetime Sportsman license fees range by the age of the individual as follows: **Florida**-from $401.50 to $1,001.50; **Georgia**-from $200 to $500; **Mississippi**-from $500 to $1,000; **Tennessee**-from $200 to $1,620.

License	Florida	Georgia	Mississippi	Tennessee
Nonresident:				
Annual Freshwater	$47		$50	
Annual Combination Freshwater/Saltwater		$24		
Annual All Fish (Excluding Trout)				$41
Annual All Fish				$81
Annual Junior (Ages 13-15) Combination Hunting/Fishing				$9
7-Day Freshwater	$30			
3-Day Freshwater	$17			
7-Day Freshwater/Saltwater		$7		
3-Day Freshwater/Saltwater			$15	
1-Day Freshwater			$8	
3-Day All Fish (Excluding Trout)				$16.50
3-Day All Fish				$33.50
10-Day All Fish (Excluding Trout)				$25.50
10-Day All Fish				$50.50
Trout Stamp		$13		

Saltwater Fishing Licenses

STATUTORY AUTHORITY:

Sections 9-11-32 through 9-11-43, 9-11-53.1, 9-11-53.3, 9-11-53.5 through 9-11-54, 9-11-55.2 through 9-11-55.3, 9-11-56.3, 9-11-65.2, 9-11-69, and 9-12-233 through 9-12-234 Code of Alabama 1975, as amended.

TAX BASE:

A fee paid by persons desiring to fish in Alabama waters. Annual licenses are valid from September 1 or the date of issuance to the next August 31.

TAX RATE: Rates effective September 2008. Includes rate changes from Acts 2007, No. 419 and Acts 2008, No. 467. See LEGISLATIVE HISTORY.

Resident Licenses	License Fee	Issuance Fee[3]	Total Fee
Annual Saltwater[1]	$28	$1	$29
Lifetime Saltwater Fishing	$250 to $350 (based on age)	Included in license fee	$250 to $350 (based on age)
Lifetime Combination Freshwater/Saltwater Fishing	$400 to $600 (based on age)	Included in license fee	$400 to $600 (based on age)
Lifetime Combination Hunting/Saltwater Fishing	$550 to $850 (based on age)	Included in license fee	$550 to $850 (based on age)
Lifetime Combination Hunting/Freshwater and Saltwater Fishing	$700 to $1,050 (based on age)	Included in license fee	$700 to $1,050 (based on age)
64 Lifetime License[4]	See Notes	See Notes	See Notes
Annual Saltwater Pier	$5	$1	$6
Special Totally Disabled Person	No charge	$1	$1
7-Day Saltwater	$8	$1	$9

Non Resident Licenses	License Fee[2]	Issuance Fee[3]	Total Fee
Annual Saltwater	$52	$1	$53
Annual Combination Freshwater/Saltwater	$98	Included in license fee	$98
7-Day Saltwater	$24	$1	$25

1 Beginning September 2008, includes an $8 surcharge to be collected for a period of five years pursuant to Acts 2008, No. 467.

2 Nonresident license fees for residents of Florida, Georgia, Louisiana, Mississippi, and Tennessee are the same as license fees charged Alabama residents for similar licenses in those states.

3 Issuance fees are in addition to the license fee, except as specified above, and are retained by the probate judge, license commissioner or other authorized license agent. All fees collected by a probate

judge or license commissioner, who is paid a salary for the performance of his or her duties, are deposited in the county treasury.

[4] A person 64 years of age when procuring an annual freshwater or saltwater license will be issued the license on a lifetime basis for the same fees that would have been paid for the annual license.

NOTE: Pursuant to Acts 2007, No. 419, beginning in FY 2011, the license and accompanying issuance fees for annual, lifetime and trip licenses are subject to possible annual adjustment based on the percentage increase in the Consumer Price Index (CPI) if recommended by the Commissioner and approved by the Department's Advisory Board.

COLLECTIONS:

By the probate judges, license commissioners, or other person authorized and designated to issue fishing licenses remitted to the Department of Conservation and Natural Resources on the 1st of each month.

Fiscal Year	Annual License Collections ($)[1,3]	Lifetime License Collections ($)[2,3]	Totals ($)	Percent Change	Surcharge Collections[4]
2007-08	1,651,731	130,731	1,782,462	5.93	41,880
2006-07	1,526,894	155,818	1,682,712	39.16	N/A
2005-06	1,132,206	77,006	1,209,212	10.18	N/A
2004-05	1,034,146	63,391	1,097,537	(15.60)	N/A
2003-04	1,247,432	52,931	1,300,363	16.44	N/A

[1] Includes collections from annual saltwater and trip licenses.

[2] Includes receipts from lifetime saltwater and combination licenses only.

[3] Collections from current license fee schedule began September 2007.

[4] Collections from $8 surcharge began September 2008.

Source: "Comparative Summary of Revenues by Revenue Source" Report – Comptroller's Office.

MAJOR EXEMPTIONS:

(1) All persons under the age of 16.

(2) Any resident of this state over 65 years of age, provided that said resident has on his person while fishing, a driver's license (or, in the case of nondrivers, proof of permanent Alabama residence and age).

(3) Florida residents over 65 years of age.

(4) Members of the U.S. armed forces when the U.S. is engaged in a war.

(5) Residents who have purchased a lifetime fishing license or combination fishing/hunting license are exempt from purchase of saltwater fishing license if the lifetime license was purchased prior to March 31, 1992 on any valid lifetime saltwater fishing license.

(6) Residents on leave from active military duty who have proof of his or her status in his or her possession.

(7) A member of the U.S. military and his or her spouse and their dependents who reside with them, stationed in Alabama on active duty are deemed residents for hunting and fishing license purposes.

DISTRIBUTION:

(1) Resident saltwater fishing license (annual and trip) fees - 100% to Marine Resources (Seafoods) Fund.

(2) Resident lifetime saltwater license fees – 100% to the Alabama Marine Resources Endowment Fund.

(3) Resident lifetime combination freshwater/saltwater, hunting/saltwater, and hunting/freshwater and saltwater – the portion of the license fee representing the amount of lifetime resident freshwater or hunting license to the Alabama Game and Fish Endowment Fund and the balance of the fees charged for each license to the Alabama Marine Resources Endowment Fund.

(4) 64 lifetime saltwater license - 100% to the Alabama Marine Resources Endowment Fund.

(5) Annual resident saltwater pier fishing licensee fees - 100% Marine Resources (Seafoods) Fund.

(6) Nonresident saltwater fishing license (annual and trip) fees - 100% to Marine Resources (Seafoods) Fund.

(7) Nonresident combination saltwater/freshwater fishing license fees - 50% to Game and Fish Fund; 50% to Marine Resources (Seafoods) Fund.

(8) Surcharge collections – 100% to Marine Resources Restoration Fund.

LEGISLATIVE HISTORY:

Acts 1977, No. 351, p. 468

Increased the nonresident fishing license fee to $10 and expanded it to include salt and brackish water (as well as freshwater) and provided for issuance fee of $.25; provided that of the new $10 fee, $7 to be deposited to Game and Fish Fund and $3 to Marine Resources (Seafoods) Fund; increased nonresident trip fishing license to $4 and expanded it to include salt and brackish water; and provided that of the new $4 fee, $3 to be deposited to Game and Fish Fund and $1 to Marine Resources (Seafoods) Fund.

Acts 1986, 1st Ex. Sess., No. 649. p. 31

Exempted nonresidents under the age of 16 from fishing license requirements; increased nonresident fishing license fee to $15, except that license fees for residents of Florida, Georgia, Louisiana, Mississippi, and Tennessee to be that charged Alabama residents by those states; increased nonresident 7-day trip license

fee to $7 and provided for same reciprocal arrangement with certain other states as annual license; provided for the distribution of nonresident fishing license fees; and provided 90% of the above license fees deposited into the Game and Fish Fund and 10% deposited into Marine Resources (Seafoods) Fund.

Acts 1992, No. 344, p. 736

Provided for annual resident saltwater fishing license at $15 and a combination annual resident saltwater/freshwater license for a fee of $25; provided for the distribution of annual resident saltwater fishing license fees to the Marine Resources (Seafoods) Fund; provided for the distribution of the combination license fees with $15 going to the Marine Resources (Seafoods) Fund and $10 going to the Game and Fish Fund; repealed the requirement that 10% of resident freshwater fishing licenses be deposited to the credit of the Marine Resources (Seafoods) Fund; and expressed legislative intent that the Department of Conservation and Natural Resources enter into a reciprocal agreement with State of Florida exempting persons 65 years of age or older from state fishing and hunting license requirements.

Acts 1993, No. 322, p. 486

Provided for the following new license fees and distributions: resident 7-day saltwater trip license at $15; annual public fishing pier operator license at $1,000; resident annual saltwater pier fishing license at $5; nonresident annual saltwater fishing license at $30; nonresident 7-day trip saltwater fishing license at $10; nonresident annual combination saltwater/freshwater license at $60; decreased the resident annual combination saltwater/freshwater license to $23.50; and changed distribution to $15 to the Marine Resources Fund and $8.50 to the Game and Fish Fund.

Acts 1999, 2nd Ex. Sess., No. 660, p. 117

Established the resident lifetime saltwater license at $250; saltwater combination freshwater/saltwater license at $400; lifetime combination saltwater/hunting license at $550; and lifetime combination freshwater/saltwater and hunting license at $700; and established the Alabama Marine Resources Endowment Fund.

Acts 2000, No. 735, p. 1604

Established the 64 lifetime licenses at the current rates and distribution; changed the effective date of Act 99-660, 2nd Ex. Sess. from November 29, 2000 to June 1, 2000.

Acts 2000, No. 742, p. 1647

Established the annual resident sportsman's license at $58.50 and provided distribution. (See also Hunting Licenses, LEGISLATIVE HISTORY, Acts 2000, No. 742 for hunting provisions.)

Acts 2004, No. 449, p. 794

Authorized U.S. military personnel stationed in Alabama on active duty to be deemed residents for hunting and fishing license purposes; clarified that hunting and fishing licenses are not transferable and authorized residents of the state on leave from active military duty to hunt or fish without obtaining a license.

Acts 2007, No. 418, p.874

Wildlife Heritage Act of 2007. In addition to hunting and freshwater fishing provisions, increased the fees for lifetime saltwater and combination saltwater/freshwater and hunting license fees to current rates and made the fees subject to possible annual adjustment beginning in FY 2011 based on the percentage increase in the Consumer Price Index (CPI). Also, repealed laws providing resident annual combination saltwater/freshwater license, resident annual combination hunting/fishing license, public pier license and sportsman license.

Acts 2007, No. 419, p. 897

Increased the fees for saltwater fishing licenses as follows: annual resident to $20; resident 7-day trip to $8; annual nonresident to $44; and nonresident 7-day trip to $24. Also, made the above fees subject to possible annual increase beginning in FY 2011 based on the percentage increase in the Consumer Price Index (CPI). Repealed law providing for public pier license.

Acts 2008, No. 384, p. 714

Increased fines for various violations of game and fish laws. Also, reestablished the public pier fishing license at current rate.

Acts 2008, No. 467, p. 1022

Required the Department to promulgate rules and establish and administer a voluntary program to acquire and retire commercial gill net permits of saltwater commercial fishermen and to provide economic relief to qualified resident and nonresident saltwater commercial fishermen who surrender their license on or before March 1, 2009. Levied an $8 surcharge on each resident and nonresident saltwater fishing license issued for a period of five years. Receipts from the surcharge are deposited into the Marine Resources Restoration Fund established by this act and used to offset the cost of providing the economic relief to the commercial saltwater fishermen and for research and development.

COMPARISON WITH NEIGHBORING STATES:

License	Florida	Georgia	Mississippi
Resident:			
Annual Saltwater	$13.50		$4
Annual Combination Freshwater/Saltwater	$25.50	$9	
Annual Sportsman	$72.50	$60	$32
Gold Sportsman (includes saltwater fishing)	$88.50		

License	Florida	Georgia	Mississippi
Resident:			
1-Day Freshwater/Saltwater		$3.50	
5-Year Freshwater/Saltwater	$61.50		

Lifetime Sportsman license fees range by the age of the individual as follows: **Florida**-from $401.50 to $1,001.50; **Georgia**-from $200 to $500; **Mississippi**-from $500 to $1,000.

License	Florida	Georgia	Mississippi
Nonresident*:*			
Annual Saltwater	$31.50		$30
3-Day Saltwater	$6.50		
7-Day Saltwater	$16.50		
3-Day Freshwater/Saltwater			$15
1-Day Freshwater/Saltwater		$3.50	

Hunting Licenses

CONSTITUTIONAL PROVISIONS:

Amendment No. 272 to the Constitution of Alabama of 1901, now appearing as Section 219.01 of the Official Recompilation of the Constitution of Alabama of 1901, as amended (ratified December 13, 1967)

Created the Game and Fish Fund and provided that all monies derived from the sale of hunting and fishing licenses or permits be deposited into said fund.

STATUTORY AUTHORITY:

Sections 9-11-32 through 9-11-51, 9-11-53.3, 9-11-65, 9-11-65.2, 9-11-68, 9-11-71, 9-11-417, and 9-11-430 through 9-11-435 Code of Alabama 1975, as amended.

TAX BASE:

A fee paid by persons desiring to hunt in Alabama. Annual licenses are valid from September 1 or the date of issuance to the next August 31.

TAX RATE: Effective September 2007, based on revised fee schedule established by Acts 2007, No. 418. For previous rates, see LEGISLATIVE HISTORY.

Resident Licenses	License Fee	Issuance Fee[3]	Total Fee
Annual All Game[1]	$23	$1	$24
Annual Small Game[1]	$15	$1	$16
Lifetime Hunting[1]	$300 to $500 (based on age)	Included in license fee	$300 to $500 (based on age)
Lifetime Combination Hunting/Freshwater Fishing[1]	$450 to $700 (based on age)	Included in license fee	$450 to $700 (based on age)
Lifetime Combination Hunting/Saltwater Fishing[1]	$550 to $850 (based on age)	Included in license fee	$550 to $850 (based on age)
Lifetime Combination Hunting/Freshwater and Saltwater Fishing[1]	$700 to $1,050 (based on age)	Included in license fee	$700 to $1,050 (based on age)
64 Lifetime License[4]	See Note	See Note	See Notes
Wildlife Management Area[2]	$15	$1	$16
Migratory Waterfowl Stamp[2]	$5	$1	$6
7-Day Commercial Fowl Hunting Preserve[2]	$8	$2	$10
Annual Wildlife Heritage[5]	$9	$1	$10
Lifetime Wildlife Heritage[5]	$200	Included in license fee	$200

Nonresident Licenses	License Fee	Issuance Fee[3]	Total Fee
Annual All Game	$273	$2	$275
Annual Small Game	$88	$2	$90
Wildlife Management Area[2]	$15	$1	$16
Migratory Waterfowl Stamp[2]	$5	$1	$6
10-Day Trip (All Game)	$168	$2	$170
10-Day Trip (Small Game)	$53	$2	$55
3-Day Trip (All Game)	$118	$2	$120
3-Day Trip (Small Game)	$38	$2	$40
7-Day Commercial Fowl Hunting Preserve[2]	$8	$2	$10

[1] Persons obtaining the resident all-game hunting license or the resident small game hunting license shall also be entitled to all the privileges of the wildlife heritage license.

[2] Migratory waterfowl stamps and wildlife management area licenses must be purchased in addition to obtaining a resident or nonresident hunting license. A 7-Day commercial fowl hunting preserve license may be purchased in lieu of obtaining a regular resident or nonresident hunting license.

[3] Issuance fees are in addition to the license fee, except as specified above, and are retained by the probate judge, license commissioner or other authorized license agent. All fees collected by a probate judge or license commissioner, who is paid a salary for the performance of his or her duties, are deposited in the county treasury.

[4] A person 64 years of age when procuring an annual hunting license will be issued the license on a lifetime basis for the same fees that would have been paid for the annual license.

[5] The wildlife heritage license allows a person to: (1) fish in waters under the jurisdiction of the Division of Wildlife and Freshwater Fisheries with a hook and line from the bank other than in a person's county of residence; (2) fish in public fishing lakes operated by the Division of Wildlife and Freshwater Fisheries; (3) hunt small game, except waterfowl, on wildlife management area; and (4) shoot on Division of Wildlife and Freshwater Fisheries shooting ranges.

NOTE: Pursuant to Acts 2007, No. 418, beginning in FY 2011, the above license fees and accompanying issuance fees for all licenses, with the exception of wildlife management area license, migratory waterfowl stamp and commercial fowl preserve license, are subject to annual increases based on the percentage increase in the Consumer Price Index (CPI) if recommended by the Commissioner and approved by the Department's Advisory Board.

COLLECTIONS:

By the probate judges, license commissioners, or other license agents remitted to the Department of Conservation and Natural Resources on the 1st of each month.

Fiscal Year	Annual License Collections ($)[1,3]	Lifetime License Collections ($)[2,3]	Migratory Waterfowl Stamp Collections ($)	Totals ($)	Percent Change
2007-08	11,211,422	500,266	104,015	11,815,70	9.71
2006-07	9,513,984	1,124,023	132,024	10,770,03	22.54
2005-06	8,277,192	408,497	103,308	8,788,997	(3.68)
2004-05	8,526,600	492,598	105,956	9,125,154	0.65

[1] Includes receipts from annual hunting licenses, trip licenses and wildlife management area licenses.

[2] Includes Alabama Game and Fish Endowment Fund portion of lifetime combination hunting/saltwater fishing licenses (see DISTRIBUTION).

[3] Collections from current fee schedule began in September 2007. Collections from Wildlife Heritage License are included in Freshwater Fishing Licenses.

Source: "Comparative Summary of Revenues by Revenue Source" Report - Comptroller's Office.

MAJOR EXEMPTIONS:

(1) No person serving as a member of the armed forces of the U.S. shall be required to procure a hunting license to hunt within the state during any period of time in which the U.S. is engaged in a war.

(2) All persons under the age of 16 years.

(3) Any resident of the state over 65 years of age is exempt, provided that said resident has proof of age on his person while hunting (or, in the case of nondrivers, proof of permanent Alabama residence and age).

(4) Any person or member of his immediate family who hunts on lands owned by him, or any tenant or member of his immediate family who hunts on lands leased or rented by such tenant and who resides on such lands.

(5) Residents of Florida that are 65 years of age or older.

(6) Residents on leave from active military duty who have proof of his or her status in his or her possession.

(7) A member of the U.S. military stationed in Alabama on active duty and his or her spouse and their dependents who reside with them are deemed residents for hunting and fishing license purposes.

DISTRIBUTION:

(1) Lifetime hunting and combination lifetime hunting/freshwater fishing – 100% to the Alabama Game and Fish Endowment Fund.

(2) Lifetime combination hunting/saltwater fishing and hunting/freshwater and saltwater fishing - the portion of the fee representing the amount of the lifetime hunting license or the lifetime hunting and freshwater fishing

license to the Alabama Game and Fish Endowment Fund and the balance of the fees charged for each license to the Alabama Marine Resources Endowment Fund.

(3) 64 Lifetime Hunting license – 100% to the Alabama Game and Fish Endowment Fund.

(4) All remaining licenses – 100% to the Game and Fish Fund. All or a portion of the revenues from several licenses are earmarked for specific purposes, including the procurement, development and maintenance of wetlands and waterfowl management (migratory waterfowl stamp); and research on wildlife and wildlife habitat (wildlife heritage).

LEGISLATIVE HISTORY:

Acts 1935, No. 240, p. 632

Established hunting license fees for residents and nonresidents in Alabama as follows: annual resident, $3; annual resident county, $1; annual nonresident, $25; and nonresident 7-day trip, $5.

Acts 1965, No. 751, p. 1365

Provided for new types of and new charges for nonresident hunting licenses as follows: annual small game, $10.15; annual all game, $25.15; 7-day trip small game, $7.15; and 7-day trip all game, $10.15.

Acts 1965, 2nd Ex. Sess., No. 121, p. 169

Levied a special license for hunting deer and wild turkeys on state operated Wildlife Management Areas of $3; and exempted persons 65 or older.

Acts 1971, No. 1515, p. 2629

Provided for the cost of and established the procedures for residents between the ages of 16 and 65 to obtain an annual resident state hunting license for a fee of $5 and a county license for a fee of $2.50, both with an issuance fee of $.25.

Acts 1975, No. 1171, p. 2301

Provided for the issuance of permanent lifetime hunting licenses for residents over 65 years of age at no cost, upon the payment of a $.25 issuance fee.

Acts 1979, No. 545, p. 985

Created the migratory waterfowl hunting license stamp; required that each individual purchasing a hunting license would need a stamp affixed to the license in order to hunt migratory waterfowl; and provided that fees collected from said stamp be deposited into the Game and Fish Fund, to be used for the procurement, development, restoration, maintenance or preservation of wetlands for waterfowl habitat and for public waterfowl hunting areas.

Acts 1979, No. 804, p. 1482

Increased the fees for the annual resident hunting licenses to $10 and the county licenses to $5.

Acts 1981, No. 720, p. 1226

Increased the fees for nonresident trip licenses as follows: 7-day trip small game, $14.25; and 7-day trip all game, $35.25.

Acts 1981, 3rd Ex. Sess., No. 1122, p. 386

Established a lifetime resident hunting license fee of $200, a lifetime resident freshwater fishing license fee of $100, and provided for a combination lifetime hunting/freshwater fishing license fee of $300; and provided that the proceeds of such license be deposited into a special account in the Game and Fish Fund called the Alabama Game and Fish Endowment Fund.

Acts 1982, No. 407, p. 619

Increased the annual all game hunting license fees for nonresidents to $175 and reduced the 7-day nonresident trip all game license to 5 days at a fee of $75.

Acts 1982, 2nd Ex. Sess., No. 777, p. 279

Extended the period for a nonresident trip all game license to seven days at a fee of $50.

Acts 1984, No. 446, p. 1040

Increased the license issuance fee for probate judges to $1 per license.

Acts 1988, 1st Ex. Sess., No. 805, p. 242

Increased the fees for annual statewide license to $15 and county license to $7.50. Also, authorized the issuance of annual hunting and freshwater fishing license on a combination basis.

Acts 1989, No. 300, p. 487

Increased the lifetime resident hunting license fee to $300 and the combination lifetime resident hunting/freshwater fishing license fee to $450.

Acts 1992, 2nd Ex. Sess., No. 702, p. 172

Provided that in lieu of a regular hunting license residents and nonresidents may elect to purchase a 7-day commercial fowl hunting preserve license at current rate and issuance fee. This license allows the holder to hunt only artificially propagated or pen-raised fowl as designated by the Commissioner of Conservation and Natural Resources as legal to hunt on a licensed commercial fowl hunting preserve.

Acts 1994, No. 577, p. 1051

Increased license fees for the following: annual nonresident “small game only,” $40; annual nonresident “all game,” $200; nonresident “trip small game,” $25; and nonresident “trip all game,” $75; and established current issuance fees for these licenses.

Acts 1998, No. 615, p. 1355

Increased the issuance fee from $.25 to $1 for migratory waterfowl stamp; and allowed other license agents authorized by the Department of Conservation and Natural Resources to issue migratory waterfowl stamps, provided such agents prepurchase sheets of stamps for resale at face value plus the issuance fee.

Acts 1999, 2nd Ex. Sess., No. 660, p. 117

Established the resident lifetime saltwater license at $250; the lifetime saltwater/hunting combination license at $550; and the lifetime saltwater/freshwater fishing and hunting combination license at $700 and provided the distribution of revenues from such licenses; and established the Alabama Marine Resources Endowment Fund.

Acts 2000, No. 735, p. 1604

Established the lifetime Senior 64 licenses at the current rates and distribution; and changed the effective date of Act 99-660, 2nd Ex. Sess. from November 29, 2000 to June 1, 2000.

Acts 2000, No. 742, p. 1647

Established the annual resident sportsman's license at $58.50, plus a $1 issuance fee and provided distribution; increased fees for hunting on wildlife management areas to current rate and nonresident small game to $75 and all game licenses to $250; deleted the provisions for nonresident 7-day trip licenses; and established the nonresident 3-day license at $30 (small game) and $75 (all game) and the 10-day license at $45 (small game) and $125 (all game).

Acts 2004, No. 449, p. 794

Authorized U.S. military personnel stationed in Alabama on active duty to be deemed residents for hunting and fishing license purposes; exempted Alabama residents that are active members of the National Guard and certified law enforcement personnel from hunter safety education requirements; clarified that hunting and fishing licenses are not transferable and authorized residents of the state on leave from active military duty to hunt or fish without obtaining a license.

Acts 2007, No. 418, p. 874

Wildlife Heritage Act of 2007. Increased the license fees for the following licenses to current rates: annual resident all game; annual nonresident all game; annual nonresident small game; nonresident 10-day trip small game; nonresident 10-day trip all game; nonresident; nonresident 3-day trip small game; nonresident 3-day trip all game; lifetime resident hunting license; lifetime resident hunting/freshwater fishing license; lifetime resident hunting/saltwater fishing license; and lifetime resident hunting/saltwater and freshwater fishing license. Provided that these license fees and accompanying issuance fees are subject to annual cost

adjustment beginning in FY 2011 based on the percentage increase in the Consumer Price Index (CPI) if such adjustment is recommended by the Commissioner and approved by the Department's Advisory Board. Also, repealed laws providing county hunting licenses, for the issuance of annual hunting and fishing licenses on a combination basis and the sportsman's license. Established the annual resident small game license, annual resident wildlife heritage license and lifetime resident wildlife heritage license at their current rates.

COMPARISON WITH NEIGHBORING STATES:

License	Florida	Georgia	Mississippi	Tennessee
Resident:				
Annual All Game	$17.00	$19		
Annual Combination Hunting/Freshwater Fishing	$32.50		$17	$28
Annual Combination Hunting/Fishing	$48.00	$17		
Annual Sportsman	$80.50	$60	$32	$136
Gold Sportsman (includes saltwater fishing)	$100.00			
Military Gold Sportsman	$20.00			
Senior 64 License (includes all licenses included in Sportsman)	$13.50			
Annual Senior Citizen Permit				$41
Annual Small Game Hunting/Freshwater Fishing			$13	
Annual Small Game		$10		
Annual Big Game		$9		$28
Annual Archery		$8	$14	$28
Annual Archery/Firearms		$26		
Annual Wildlife Management Area Stamp	$26.50	$19	$15	$51
Annual Junior (Ages 13-15) Hunting/Fishing				$8
Waterfowl Stamp	$3.00	$5.50	$10	$31
1-Day All Game		$5.50		
5-Year Hunting	$79.00			
Lifetime Senior Citizens Hunting/Fishing	Free	Free		$11
Lifetime Disabled Hunting and Fishing	Free			$10
Lifetime Hunting[1]	See Note			
Lifetime Sportsman[2]	See Note	See Note	See Note	See Note

[1] Lifetime Hunting license fees range from $201.50 to $501.50 depending on age.

[2] Lifetime Sportsman license fees range by the age of the individual as follows: **Florida**-from $401.50 to $1,001.50; **Georgia**-from $200 to $500; **Mississippi**-from $500 to $1,000; **Tennessee**-from $200 to $1,620.

License	Florida	Georgia	Mississippi	Tennessee
Nonresident:				
Annual All Game	$151.50	$210	$300	$251
Annual Small Game		$75	$75	
Annual Big Game		$135		
Annual Youth All Game (Ages 16-18)			$110	
Annual Junior (Ages 13-15) Hunting/Fishing				$9
Annual Archery		$25	$75	
Annual Wildlife Management Area Stamp	$26.50	$73	$30	
Migratory Waterfowl Stamp	$3.00	$5.50	$10	$31
Hunt-Small Game/Waterfowl				$91
1-Day All Game		$12		
7-Day Youth All Game (Ages 16-18)			$60	
7-Day All Game			$125	$175.50
10-Day All Game	$46.50			
7-Day Small Game			$30	$50.50
3-Day All Game		$30		
3-Day Small Game		$50		

CONTRACTORS' GROSS RECEIPTS TAX

STATUTORY AUTHORITY:

Section 40-23-50 Code of Alabama 1975, as amended.

TAX BASE:

Privilege tax on any person or corporation contracting to construct, reconstruct or build any public highway, road, bridge or street.

TAX RATE:

5% of the gross receipts of any such construction; "Gross Receipts" is defined to include only those amounts derived and received by the contractor from the performance of contracts.

COLLECTIONS:

By the Department of Revenue on the 20th of each month, for the previous months gross receipts.

Fiscal Year	Collections ($)*	Percent Change
2007-08	33,287,484	(4.90)
2006-07	35,004,196	4.89
2005-06	33,372,492	1.62
2004-05	32,840,497	16.02
2003-04	28,305,663	0.75

Source: Department of Revenue's "Revenue Abstract."

MAJOR EXEMPTIONS:

(1) Gross receipts received from contracts made exclusively with any county or incorporated city or town.

(2) That portion of the gross receipts received by the contractor under contractual escalation provisions allowing for an increase in the contract price for escalations in construction costs.

DISTRIBUTION:

After the cost of administration and collection is deducted, 15% is deposited into the Human Resources Trust Fund and 85% is deposited into the Alabama Special Mental Health Fund.

LEGISLATIVE HISTORY:

Acts 1963, No. 308, p. 787

Established 1% contractor's gross receipts tax on all contractors who construct, reconstruct, or build any public highway road, bridge, or street in the state and provided for proceeds to be credited to the Pensions and Security Trust Fund.

Acts 1971, No. 1517, p. 2635

Increased the rate from 1% to 5% of the gross receipts to current rate, except for contracts entered into before October 1, 1971 and provided for the distribution of the proceeds, after deduction of administrative cost, as 15% to the Pensions and Security Trust Fund and 85% to the Special Mental Health Fund.

Acts 1981, No. 682, p. 1151

Provided an exemption for gross receipts received for escalations in construction costs.

Acts 1983, No. 723, p. 1177

Deleted the exemption for contracts in which the State is a joint party with a city, town or county and defined "Gross Receipts."

COMPARISON WITH NEIGHBORING STATES:

Florida, Georgia, Mississippi and Tennessee

No comparable taxes.

CREDIT UNION FEES

STATUTORY AUTHORITY:

Section 5-17-7 Code of Alabama 1975, as amended.

TAX BASE:

Annual operating fee for the privilege of operating a credit union and one-time application fee for a certificate of organization.

TAX RATE:

(1) All state chartered credit unions pay an annual operating fee, the exact amount to be fixed by the Administrator of the Alabama Credit Union Administration. The fee cannot exceed the fee calculated according to the following scale:

   (a) Credit unions having total assets less than $500,000 pay a fee not in excess of $.12 for each $100 of assets, subject to a minimum of $200.

   (b) Credit unions having total assets of $500,000 or more pay a fee of $600 plus $.05 per $100 of assets over $500,000 but not in excess of $1 million; plus $.035 per $100 of assets of $1 million but not in excess of $5 million; plus $.02 per $100 of assets over $5 million but not in excess of $10 million; plus $.018 per $100 on assets over $10 million but not in excess of $20 million; plus $.016 per $100 on assets over $20 million but not in excess of $50 million; plus $.012 per $100 on assets over $50 million but not in excess of $100 million; plus $.01 per $100 on all assets over $100 million.

(2) The Administrator may fix an annual operating fee which is not more than 10% of the above fee scale if (a) the credit union board approves the fee, (b) the fee is not in effect for more than 1 year, (c) the fee is necessary in order that the Alabama Credit Union Administration not be operated in a deficit, and (d) the Administration operated in a deficit the preceding year.

(3) Application fee, not to exceed $100, is required whenever application is made for permission to organize a credit union.

COLLECTIONS:

By the Credit Union Administration on or before the last day of January of each year, based on the assets of the credit union as of the end of the previous year.

Fiscal Year	Collections ($)	Percent Change
2007-08	943,936	9.23
2006-07	864,186	13.05
2005-06	764,399	3.87
2004-05	735,935	3.82
2003-04	708,881	6.59

Source: "Comparative Summary of Revenues by Fund" Report - Comptroller's Office.

DISTRIBUTION:

All proceeds are deposited into the Alabama Credit Union Administration Special Fund to cover the expenses of operating the Alabama Credit Union Administration.

LEGISLATIVE HISTORY:

Acts 1957, No. 603, p. 862

Established examination fees for credit unions of $25 per examiner per day for each credit union examined plus actual expenses of the persons making the examination with graduated maximum examination fees set according to total assets.

Acts 1967, No. 221, p. 589

Increased examination fees; and levied a $50 application fee for a certificate of organization.

Acts 1975, No. 561, p. 1267

Increased operating fees.

Acts 1981, No. 852, p. 1529

Increased operating fees.

Acts 1985, No. 457, p. 425

Established current fee schedule and application fee amount; and removed Bureau of Credit Unions from State Banking Department, creating the Alabama Credit Union Administration.

COMPARISON WITH NEIGHBORING STATES:

Florida

State chartered credit unions pay a maximum semiannual fee equal to $500 plus $0.15 for each $1,000 of total assets. The Department can charge less by rule and currently charges $50 for total assets not over $500,000 with increasing charges up to a maximum fee of $126,982.50 plus .0035% of assets over $200 billion. State chartered credit unions that merge with another credit union pay a one-time merger fee of $500. De novo application fee is $250. Nonrefundable filing fee is $250.

Georgia

Fee charges are the same as for commercial banks which is from .18% of total assets of up to $1.7 million up to a maximum fee of $5,976,529 plus .002% of total assets of more than $180 billion. Minimum fee is $350. There is no application fee for a certificate of organization. The fees charged all depository institutions are adjusted at year-end to cover the costs of regulation. This is accomplished by surcharges or discounts to the above schedule. For the past two years a 20% discount was added to the above fees. A fee is charged for the establishment of residential common bond credit unions at $1,000. Mergers and application fees are $1,000 and up to $20,000 respectively, and both are discretionary fees.

Mississippi

Examination fee is determined by the Commissioner of Banking and Consumer Finance who assesses the credit union based on the cost of the average daily expenses of the Department of Banking and Consumer Finance plus other expenses actually incurred. A supervision fee of $.10 per $1,000 of assets (minimum fee of $20 and a maximum of $200) is due by statute. Other fees, including merger fees, range from $500 to $2,500 and are set by the commissioner.

Tennessee

Credit unions pay annual supervision fees according to a graduated scale that is based on total assets; such fees can range from a minimum of $125 for total assets less than $25,000 up to a maximum fee of $28,235 plus $.23 per $1,000 of assets in excess of $100 million. There is an application fee of $10 for a certificate of organization and a merger fee of $300.

DEED RECORD TAX

STATUTORY AUTHORITY:

Sections 11-62-18(c), 11-97-18(c), 40-22-1, 40-22-5.1, 40-22-8, and 40-9B-7 Code of Alabama 1975, as amended.

TAX BASE:

Privilege or license tax on deeds, bills of sale, and other instruments that convey real or personal property or convey any interest in such property within the state. The tax applies only to the value in excess of any lien on which the mortgage record tax has been paid. When several deeds are executed for the same consideration, only one of such deeds is taxable.

TAX RATE:

$.50 for instruments conveying property of $500 or less in value; plus $.50 for each additional $500 or fraction thereof in value of property conveyed.

COLLECTIONS:

By the probate judge of each county at the time of recording such instrument.

Fiscal Year	Collections ($)*	Percent Change
2007-08	8,060,025	(17.18)
2006-07	9,731,750	6.10
2005-06	9,171,882	6.07
2004-05	8,647,036	29.97
2003-04	6,652,896	16.93

*General Fund collections only.

Source: "Comparison of Net Receipts" Report – Comptroller's Office

MAJOR EXEMPTIONS:

(1) Recordings by churches and other religious organizations are exempt if they result from division into two or more similar organizations or from the consolidation of two or more religious organizations into a single organization.

(2) Transfer of mortgages on real or personal property upon which the mortgage tax has been paid is exempt.

(3) The re-recordation of corrected mortgages or deeds is exempt.

(4) Deeds for a nominal consideration for the purpose of perfecting title are exempt.

(5) Deeds executed before October 1, 1923 are exempt.

(6) Deeds filed to convey to or from or create any property interest in or by a Municipal Special Health Care Facility Authority created pursuant to Chapter 62 of Title 11 are exempt.

(7) Deeds filed to convey to or from or create any property interest in or by a public corporation organized pursuant to Chapter 97 of Title 11 are exempt.

DISTRIBUTION:

After 2.5% of the total amount collected is deducted for the administrative costs of the Probate Judge (deposited to county general fund if the Probate Judge is not on a fee system), proceeds are distributed as follows: 2/3 to the State General Fund and 1/3 to the County treasury.

LEGISLATIVE HISTORY:

Acts 1935, No. 194, p. 256

Established Deed Record Tax at present rates.

Acts 1951, No. 816, p. 1449

Provided for exemption from the Deed Record Tax of recordings of instruments previously exempt from the Mortgage Record Tax upon transfer to a person or entity not exempt from the Mortgage Record Tax.

Acts 1953, No. 769, p. 1029

Provided procedure for filing instruments which have been exempted by law from payment.

Acts 1976, No. 274, p. 304

Further exempted certain conveyances of religious organizations.

Acts 1979, No. 332, p. 506

Provided that deeds filed to convey to or from or create any property interest in or by a Municipal Special Health Care Facility Authority created pursuant to Chapter 62 of Title 11 are exempt.

Acts 1984, No. 314, p. 695

Provided that deeds filed to convey to or from or create any property interest in or by a public corporation organized pursuant to Chapter 97 of Title 11 are exempt.

Acts 1987, No. 816, p. 1630

Exempted re-recordation instruments which are made to correct errors.

COMPARISON WITH NEIGHBORING STATES:

Florida

A Documentary Excise Tax is imposed on conveyances of realty in the amount of $.70 on each $100 of the consideration. The tax is $0.60 on each $100 on deeds relating to realty in counties where a local surcharge is added. Counties are authorized to levy, until October 1, 2011, a surtax at a rate not to exceed $0.45 for each $100 or fraction of the consideration (except single family residences). The total tax may not exceed $2,450 on any document. The tax does not apply to a transfer of real property from a nonprofit organization to the Board of Trustees of the Internal Improvement Trust Fund; any state agency, water management district, or any local government; or to conveyances of marital homes between spouses or former spouses in the course of a divorce.

Georgia

A Realty Transfer Tax is imposed on each conveyance of real property in the amount of $1 for the first $1,000 or fraction of consideration or value of the property and $.10 for each additional $100 or fraction of consideration or value of the property. Transfers of less than $100 are exempt. The tax does not apply to any deed of gift; any instrument executed by an agency of Georgia, the U.S. or their political subdivisions or by any public corporation or authority except profit-making public corporations; any transfer of realty between a husband and wife in connection with a divorce case; deeds issued in lieu of foreclosure; deeds of assent or distribution by an executor, administrator, guardian, trustee or custodian; deeds carrying out the exercise of a power of appointment; any instrument transferring realty to or from a fiduciary; any deed that effects a division of real property among joint tenants or tenants in common if the transaction does not involve any consideration; the acquisition of property by donation, exchange, or prescription by the state; any deed through which property is transferred from an entity to individuals with a majority ownership interest in the entity; and any deed that seeks to return any property sold at a tax sale back to the defendant.

Mississippi

No comparable tax.

Tennessee

A Real Estate Transfer Tax is applied to all realty transfers in the amount of $.37 per $100 on the consideration for the transfer or the value of the property, whichever is greater. The maximum tax is $100,000 for any real or personal property constructed, acquired or developed for the principal purpose of manufacturing, processing, fabricating or assembling any manufactured product. County registers retain 5% of the tax collected. The tax does not apply to division of realty formerly held by a tenancy by the entirety or tenants in common; release of a life estate; realty in which a municipality is the grantee or transferee; transfers of real estate to a revocable living trust; transfer of a deed executed by an executor; and instruments made in connection to a corporation in the process of organization.

DEPOSITS

Interest on State Deposits

STATUTORY AUTHORITY:

Sections 41-14-1 through 41-14A-14 Code of Alabama 1975, as amended.

REVENUE SOURCE:

"Interest on State Deposits" is the income earned by the state treasurer through the investment of available cash. The treasurer must keep cash or demand deposits available as necessary to meet the daily operational needs of the state. Cash in excess of this amount may be invested in certain instruments authorized by law, including time deposits, money market mutual funds, certain government securities and repurchase agreements. At the end of FY 2007-08, the state maintained an invested balance of $1.7 billion. State funds were held by designated state depository banks and collateralized in accordance with the Security for Alabama Funds Enhancement Act, or SAFE. Interest is earned on time deposit open accounts, repurchase agreements and U.S. agency securities. Time deposit open accounts accounted for $23 million in interest during FY 2007-08. For that year, an average of approximately $764 million was invested in such accounts. By law, the interest rate earned on the state's time deposits is equal to U.S. Treasury securities of comparable maturity for 91-day, 6 month, or one year instruments. In FY 2007-08, investment of state funds in repurchase agreements produced $27.3 million in interest income for the General Fund. For that year, an average of approximately $707 million was invested in such accounts. In FY 2007-08, investment of state funds in U.S. Agency securities accounted for $23.1 million in interest. For that year, an average of approximately $450 million was invested in such instruments. In addition, the General Fund received $2.4 million in interest in FY 2008 from the Treasurer's investment of the funds in the Capital Improvement Trust Fund and $800,000 in interest from miscellaneous investments. Overall, the average percentage of available state funds invested and those producing earnings credit, together, was 99%.

COLLECTIONS:

Earned interest is received monthly by the treasurer from the respective banks.

Fiscal Year	Collections ($)*	Percent Change
2007-08	76,622,698	(41.24)
2006-07	130,389,801	23.39
2005-06	105,670,429	108.67

Fiscal Year	Collections ($)*	Percent Change
2004-05	50,638,872	193.32
2003-04	17,264,148	(11.90)

*General Fund collections only.

Source: "State General Fund Receipts-Comparison of Net Receipts" Report – Comptroller's Office.

DISTRIBUTION:

Interest earned on certain bond proceeds is credited to those proceeds accounts and interest earned on the Education Trust Fund Proration Prevention Account is credited to that Account. Generally, however, interest on state deposits is deposited into the State General Fund.

LEGISLATIVE HISTORY:

Acts 1967, No. 3, p. 336

Granted the general authority of state treasurer to deposit funds in state depositories and to earn interest on time deposits.

Acts 1975, No. 1, p. 57

Provided that an increased amount of state funds could be deposited in interest-bearing accounts.

Acts 1977, No. 45, p. 1460

Further amended provisions for determining interest to be paid on state funds and specifically allowed for investment in repurchase agreements.

Acts 1983, No. 80, p. 86

Provided that interest earned on state deposits would be paid monthly to the state treasurer.

Acts 1988, No. 162, p. 256

Allowed the treasurer to enter into agreements with state lending institutions at rates of interest lower than the prevailing market rate to enable the respective state lending institutions to offer certain agriculture and business loans at less than the prevailing market rate; and provided that this provision (plan of linked deposits) would terminate at the end of FY 1990-91. (This termination date was extended by Acts 1991, No. 720; Acts 1993, No. 351; Acts 1995, No. 257; Acts 1999, 2nd Ex. Sess., No. 659; Acts 2003, No. 304; and Acts 2006, No. 416.) See also Acts 2007, No. 397.

Acts 1989, No. 868, p. 1743

Authorized the treasurer to invest in six month and one year U.S. Treasury obligations.

Acts 1990, No. 638, p. 1172

Eliminated certain requirements related to determination of income from time deposits, funds needed for projected monthly expenditures and investment of funds in the treasury 30 days or less; and provided that mortgage-backed securities may be used as security for state money deposited in state depositories.

Acts 1991, No. 570, p. 1052

Authorized state agencies the administrative option to require the timely electronic remittance of immediately available funds by any person, corporation or partnership for obligations due to the state agency of $100,000 or more (effective January 1, 1993, $50,000 or more; and effective January 1, 1994, $25,000 or more).

Acts 1992, No. 169, p. 279

Changed the types of financial instruments available to the treasurer for investment of state funds. A limit of 20% of total state monies is available for investment in bonds, notes, Treasury bills or in obligations of any agency or instrumentality of the U.S. The limit is also applied to money market mutual funds solely in securities otherwise authorized by provisions of this section of the Code. The result was a broadening of investment opportunities for the treasurer.

Acts 1996, No. 764, p. 1349

Authorized the state to pay state depositories for (1) the transfer or removal of funds, (2) item handling charges or (3) other services performed by the depository.

Acts 2000, No. 748, p. 1669

Established the Security of Alabama Funds Enhancement Act (SAFE).

Acts 2003, No. 305, p. 723

Modified the list of securities and instruments that are eligible to be used as collateral for state monies held in state depositories to include other U.S. states' direct obligations; clarified the authority given to the State Treasurer to approve or disapprove any collateral for public deposits, and further clarified the interrelationship between the provisions of the SAFE Act of 2000, public deposits, and the requirement of pledged collateral.

Acts 2004, No. 486, p. 904

Amended the statute relating to interest paid on linked deposits so that the rate of interest on a one-year linked deposit and on a two-year linked deposit is two percent below the most recent weekly average one-year constant maturity yield and two-year constant maturity yield respectively as published by the Federal Reserve but in no event shall the interest rate on either deposit be less than one percent. On one-year time deposits the rate is based on the weekly average one-year constant maturity yield as published by the Federal Reserve for the calendar week immediately preceding the contract.

Acts 2006, No. 352, p. 927

Required that interest earned on the Education Trust Fund Proration Prevention Account be retained in the Account rather than being deposited into the State General Fund.

Acts 2007, No. 397, p. 771

Repealed the 1988 Linked Deposit Program and enacted the Linked Deposit Program of 2007.

COMPARISON WITH NEIGHBORING STATES:

Florida

The Department of Financial Services establishes policy guidelines regarding investment decisions. Authorized investments include U.S. Government and agency securities, repurchase agreements, asset-backed securities, including mortgage backed securities, certificates of deposit, commercial paper, bankers' acceptances, corporate obligations, convertible bonds, and mutual funds. Funds managed by the state and outside managers totaled $17.4 billion as of August 2008. For FY 2008, an average of approximately 99% of the treasurer's cash balance was invested. Funds were invested as follows: 1.68% in certificates of deposit and other cash equivalents; 33.32% in U.S. Government and Agency Securities; 16.64% in corporate and other bonds; and 48.36% in asset/mortgage-backed securities.

Georgia

The Treasury operates a system of decentralized receipts and disbursements in that agencies maintain their own bank demand accounts. The Treasury serves as a repository for collected funds and attempts to maximize interest earned on idle balances until funds are disbursed to the various agencies. The Treasury maintains two investment custodial accounts – Georgia Fund 1 and the Georgia Extended Asset Pool. During FY 2008 an estimated 99.9% of the available cash was invested. As of March 28, 2008, Georgia Fund 1 was invested 58.5% in repurchase agreements; 4.8% in bank deposits; and 36.7% in U.S. Government and agency securities. As of March 31, 2008, the Georgia Extended Asset Pool was invested 39% in repurchase agreements; 55.3% in agency securities; and 5.7% in U.S. Treasury Bonds.

Mississippi

Investment decisions are made by a State Investment Committee comprised of the state treasurer and the state fiscal officer. A cash flow model is used to analyze the amount of funds on deposit and available for investment. The Treasury utilizes depositories statewide, and pays state warrants from three banks in Jackson, one of which serves as the main clearing bank. The rate earned on time deposits is set at the bond equivalent yield for U.S. Treasury bills for comparable maturity dates. As of

June 30, 2007, an average of 100% of available funds in the General Fund/Special Fund portfolio is invested as follows: 20.26% in certificates of deposit; 6.01% in repurchase agreements; 12.53% in agency securities; 5.13% in demand accounts; 31.85% in mortgage-backed securities; 23.39% in money market funds; and .83% in mutual funds.

Tennessee

As of July 2007, the treasurer has over 70 depository accounts with banks, all of which are interest bearing accounts. Investment decisions are made by the State Funding Board, consisting of the Governor, Secretary of State, Comptroller, Treasurer and Commissioner of Finance and Administration. As of June 30, 2007, 31.53% of available funds were invested in collateralized time deposits with in-state financial institutions; 5.92% in repurchase agreements; 32.82% in U.S. Government and agency securities; and 29.73% in commercial paper. The average yield on Tennessee's portfolio investments for 2006-07 was 5.35%. Available cash is 100% invested considering daily conversions of idle cash into the investment stream and the use of money market demand accounts. The weighted average maturity must be less than 90 days and no investment can have a maturity greater than 397 days.

Alabama Trust Fund

CONSTITUTIONAL PROVISIONS:

Amendment No. 450 to the Constitution of Alabama of 1901, now appearing as Section 219.02 of the Official Recompilation of the Constitution of Alabama of 1901, as amended (proposed by Act 85-79, 1st Ex. Sess., proclaimed ratified June 4, 1985)

Established the Alabama Trust Fund and provided for distribution of Trust Fund earned income.

Amendment No. 488 to the Constitution of Alabama of 1901, now appearing as Section 219.03 of the Official Recompilation of the Constitution of Alabama of 1901, as amended (proposed by Act 88-550, proclaimed ratified November 23, 1988)

Redefined the investment authority of the Alabama Trust Fund to equate to that of the Teachers' and State Employees' Retirement Systems.

Amendment No. 543 to the Constitution of Alabama of 1901, now appearing as Section 219.07 of the Official Recompilation of the Constitution of Alabama of 1901, as amended (proposed by Act 91-219, proclaimed ratified February 2, 1993)

Provided for the acquisition, maintenance and protection of unique lands and water areas in the state (The Forever Wild Land Trust Act). Funding for this purpose was from a percentage of the trust income earned from the Alabama Trust Fund that would have been reinvested in the fund. (See REVENUE SOURCE.)

Amendment No. 666 to the Constitution of Alabama of 1901, now appearing as Section 219.04 of the Official Recompilation of the Constitution of Alabama of 1901, as amended (proposed by Act 00-491, proclaimed ratified December 13, 2000)

Provided for the current distribution of trust income and capital gains earned by the Alabama Trust Fund; provided for the current distribution of offshore oil and gas lease payments beginning October 1, 2001 (see REVENUE SOURCE and DISTRIBUTION; see also LEASE OF OIL AND GAS RIGHTS) and authorized the board to transfer up to 75% of capital gains each fiscal year.

Amendment No. 668 to the Constitution of Alabama of 1901, now appearing as Section 219.05 of the Official Recompilation of the Constitution of Alabama of 1901, as amended (proposed by Act 99-393, proclaimed ratified December 13, 2000)

Placed the distributions to the County Government Capital Improvement Fund and the Municipal Government Capital Improvement Fund that were previously provided by general law into the constitution. Similar provisions are also provided in Amendment No. 666.

Amendment No. 709 to the Constitution of Alabama of 1901, now appearing as Section 260.01 of the Official Recompilation of the Constitution of Alabama of 1901, as amended (proposed by Act 01-1066, proclaimed ratified June 19, 2002)

Provided for the creation of the Education Trust Fund Rainy Day Account within the Alabama Trust Fund. Up to 6% of Education Trust Fund appropriations for FY 2002 (approximately $248 million) was credited to the Account to be drawn upon in the event of proration in the Education Trust Fund. In FY 2003, $179,993,229 was transferred from the Rainy Day Account in the Alabama Trust Fund to the Education Trust Fund. The Legislature must provide for the payback to the Rainy Day Account within five years. (See LEGISLATIVE HISTORY for payback legislation.)

REVENUE SOURCE:

The Alabama Trust Fund is a perpetual trust which was established in June 1985 with an initial trust capital of $333,583,680 from cash bonus payments and royalties paid to the state from offshore oil and gas leases. The trust capital was augmented from time to time by the deposit of proceeds of any offshore oil and gas payment (including royalty payments) received after August 14, 1984. The lands division of the Department of Conservation and Natural Resources received 4% of the original lease payment of $347,483,000 and receives 1% of any payments made subsequent to August 14, 1984. The Alabama Trust Fund currently receives 65% of the balance of the oil and gas lease payments received by the state. The remaining 35% of the balance is transferred to: (1) the County and Municipal Government Capital Improvement Trust Fund (7%); and (2) the Alabama Capital Improvement Trust Fund (28%). As of September 30, 2008, the trust capital of the Alabama Trust Fund totaled $3.241 billion.

COLLECTIONS:

Earned income is transferred to the Treasurer as it is received by the Alabama Trust Fund Board.

Fiscal Year	Collections ($) Trust Income	Percent Change
2007-08	132,804,275	6.44
2006-07	124,773,908	9.76
2005-06	113,676,329	4.82
2004-05	108,445,792	10.05
2003-04	98,539,947	(15.00)

Source: State Treasurer's Office.

Fiscal Year	Capital Gains Distributed ($)	Percent Change
2007-08	165,382,509	230.96
2006-07	49,970,492	9.78
2005-06	45,518,324	48.82
2004-05	30,585,404	(9.36)
2003-04	33,742,600	N/A

Source: "Comparative Summary of Revenues by Revenue Source" Report - Comptroller's Office.

DISTRIBUTION:

In any fiscal year in which the trust income exceeds $60 million (which has occurred in every fiscal year since fiscal year 1996-97):

10% - County Government Capital Improvement Fund.

10% - Municipal Government Capital Improvement Fund.

10% (up to a maximum of $15 million) – Forever Wild Land Trust.

In the fiscal year following the first fiscal year Forever Wild receives $15 million, .25% (and increasing by .25% per year thereafter to a maximum of $5 million) – Senior Services Trust Fund.

Remainder - State General Fund.

Also, within 30 days following the end of any fiscal year, the Board of Trustees may transfer up to 75% of realized or unrealized capital gains on equity investments for the just completed fiscal year. Any amount transferred by the Board is distributed the same as trust income.

LEGISLATIVE HISTORY:

Acts 1986, No. 206, p. 269

Created the County Government Capital Improvement Fund and provided that 10% of the Alabama Trust Fund income shall be appropriated to this fund when such income exceeds $60 million. (The income exceeded $60 million for the first time in FY 1997.)

Acts 1986, No. 234, p. 345

Created the Municipal Government Capital Improvement Fund and provided that 10% of the Alabama Trust Fund income shall be appropriated to this fund when such income exceeds $60 million. (The income exceeded $60 million for the first time in FY 1997.)

Acts 1998, No. 499, p. 1075

Effective October 1998, changed the distribution date for the appropriation of trust income to the County Government Capital Improvement Fund and the Municipal Government Capital Improvement Fund from January 2 to April 15.

Acts 2003, No. 438, p. 1516

The Education Trust Fund appropriations act for FY 2004 provided for a conditional appropriation of $36 million to make the first installment on the repayment to the Rainy Day Account. The conditional appropriation was released.

Acts 2004, No. 456, p. 810

The Education Trust Fund appropriations act for FY 2005 provided for a conditional appropriation of $36 million to make the second installment on the repayment to the Rainy Day Account. The conditional appropriation was released.

Acts 2005, No. 173, p. 295

The Education Trust Fund appropriations act for FY 2006 provided for an appropriation of $36 million to make the third installment on the repayment to the Rainy Day Account.

Acts 2006, No. 282, p. 519

The Education Trust Fund appropriations act for FY 2007 provided for an appropriation of $71,993,229 to make repayment in full to the Rainy Day Account.

COMPARISON WITH NEIGHBORING STATES:

Florida, Georgia, Mississippi and Tennessee

No comparable revenue source.

DRIVER'S LICENSE FEES

STATUTORY AUTHORITY:

Sections 13A-12-294, 32-6-1 through 32-6-17, 32-6-21, and 32-6-49.1 through 32-6-49.22 Code of Alabama 1975, as amended.

TAX BASE:

Privilege tax upon the operator of a motor vehicle using the highways of Alabama.

TAX RATE:

Regular (Class D) License:

Examination fee of $5, plus $23 for (1) a 4-year driver's license, (2) an 8-year nondriver's identification card issued to persons who are less than 62 years of age and who are not mentally or physically disabled or legally blind, or (3) a learner's license. A learner's license converts to a driver's license for the duration of the four years when the driver's examination is passed. $5 for a permanent nondriver's identification card for a person age 62 or older who is not mentally or physically disabled or legally blind. $1.50 for a permanent nondriver's identification card for a person who is mentally or physically disabled or legally blind. $18 for each duplicate license. $275 for first application for reinstatement for a canceled, suspended or revoked license due to a drug or alcohol related offense; $175 for first application for reinstatement of a revoked license due to a non-drug or alcohol related offense; and $100 for first application for reinstatement of a canceled or suspended license due to a non-drug or alcohol related offense; and $5 for second and subsequent applications for reinstatement. An additional reinstatement fee of $25 is charged if the license was suspended pursuant to Section 13A-12-294, which requires suspension of a driver's license for an additional 6 months upon conviction of certain drug related crimes.

Commercial License:

Application fee of $25 for a commercial driver's license (CDL) learner permit, plus $20 for a CDL learner's permit. Application fee of $25, plus $53 (Class A license), $43 (Class B license) or $23 (Class C license or school bus license) for a 4-year CDL, plus $25 for each endorsement (total of five endorsements possible). There is also a $15 retest fee, a $20 fee for the skills portion of the license test and a hazardous materials endorsement fee which shall not exceed the cost of conducting a background check. The holder of a valid commercial license may drive all vehicles for which that license is issued, and all lesser classes of vehicles including Class D (vehicles for which only a regular operator's license is required), except motorcycles (Class M).

Class A license

Any combination of vehicles with a gross vehicle weight of 26,001 lbs. or more, provided the weight of the vehicle(s) being towed is more than 10,000 lbs.

Class B license

Any single vehicle with a gross vehicle weight of 26,001 lbs. or more, and any such vehicle towing a vehicle with a gross weight not in excess of 10,000 lbs.

Class C license

Any single vehicle with a gross vehicle weight of less than 26,001 lbs. or any such vehicle towing a vehicle with a gross vehicle weight not in excess of 10,000 lbs. if those vehicles are (a) designed to transport 16 or more passengers, including the driver, or (b) used in the transportation of hazardous materials which require the vehicle to be placarded.

COLLECTIONS:

License fees are collected by the probate judges or license commissioners of each county who remit the state share each month to the state treasurer. License duplicate, reinstatement and examination fees are collected by the Department of Public Safety.

Fiscal Year	Licenses($)*	Reinstatements($)	Examinations($)
2007-08	15,567,379	7,511,126	988,086
2006-07	14,802,200	6,589,693	1,007,556
2005-06	12,780,819	6,333,594	892,242
2004-05	13,382,740	6,367,188	972,355
2003-04	14,851,765	6,056,543	902,232

*State General Fund amounts only (excludes portion of fees retained by county or deposited to the Highway Traffic Safety Fund). Includes Class D drivers' and learners' licenses, and nondrivers' identification and duplicate cards. FY 2008, FY 2007, FY 2006, FY 2005, and FY 2004, receipts include $3,156,058, $2,222,817, $1,375,025, $1,381,725, and $3,417,659, respectively from Commercial Drivers' Licenses and $551,590, 541,542, $583,843, $377,788 and $246,900, respectively from Commercial Drivers' Licenses Examination fees. There is no test fee for standard CDL renewals. Deposits to the Highway Traffic Safety Fund for FY 2008, FY 2007, FY 2006, FY 2005, and FY 2004, from the additional $5 levied by Act 93-769 were $10,353,279, $10,539,895, $10,127,699, $7,715,994, and $7,645,760, respectively.

Source: "Comparative Summary of Revenues by Revenue Source" Report – Comptroller's Office, and Department of Public Safety.

MAJOR EXEMPTIONS:

(1) Any employee of the federal government while driving an official motor vehicle in the service of their employer.

(2) Any person while driving any road machine or farm tractor that is temporarily moved on a highway.

(3) Any 16 year old or older nonresident who has a valid driver's license from his home state or country.

(4) Any 16 year old or older nonresident whose home state or country does not require a driver's license is exempt for a 90-day period if the motor vehicle driven is registered in their home state or country.

(5) Any active duty military or National Guard personnel operating government vehicles, farmers operating certain commercial motor vehicles, fire fighters and operators of emergency equipment exempt from licensing provisions of the federal Commercial Motor Vehicle Safety Act of 1986 (Title XII of Pub. Law 99-570) and drivers of vehicles used for personal use such as recreational vehicles are exempt from the commercial driver's license requirement.

DISTRIBUTION:

Each probate judge and/or county retains a total of $1.50 for each license or identification card issued and the balance is deposited into the State General Fund to be appropriated for public safety use except $8 of the $23 license fee for (1) a regular (Class D) license, (2) a nondriver's identification card for which there is a fee of $23 or (3) a learner's license is deposited to the Highway Traffic Safety Fund for the Department of Public Safety and the additional $25 reinstatement levied pursuant to Section 13A-12-294 for conviction of certain drug related crimes is deposited to the Highway Traffic Safety Fund for the Department of Public Safety. Examination fees, fees for duplicate licenses and application for reinstatement of canceled, revoked or suspended licenses are deposited to the State General Fund and the Public Safety Highway Traffic Safety Fund. Fees for a duplicate of a lost or destroyed license are credited to the Highway Traffic Safety Fund for the Department of Public Safety rather than to the State General Fund.

LEGISLATIVE HISTORY:

Acts 1939, No. 181, p. 300

Established the regulation of motor vehicles on public highways and established the license fee at $1.10 ($.10 of which was retained by the probate judges) for a 2-year license and $.25 for duplicate license or temporary instruction permit; provided that driver's license receipts be deposited to a separate fund in the state treasury – the Highway Patrol Fund.

Acts 1951, No. 485, p. 868

Increased driver's license fee to $2.25 ($.25 of which was retained by the probate judges and the counties).

Acts 1951, No. 880, p. 1519

Increased temporary instruction permit fee to $.35.

Acts 1959, No. 346, p. 935

Provided for issuance of learner's permits to 15 year olds and established $.50 fee for such permits.

Acts 1963, No. 193, p. 582

Increased license fee to $4.25 for a 2-year license ($.25 of which was retained by the probate judges and the counties); and changed distribution of driver license receipts to provide that they be deposited to the State General Fund, to be appropriated to the Department of Public Safety for salaries and other expenses of traffic and motor vehicle enforcement personnel.

Acts 1971, No. 1597, p. 2743

Provided for $25 application fee for reinstatement of canceled, suspended or revoked license, to be deposited to the State General Fund.

Acts 1971, No. 1933, p. 3121

Increased fee for duplicate license to $1 and $4 for subsequent duplicates.

Acts 1973, No. 1289, p. 2201

Increased temporary instruction permit fee for persons 16 years of age or older to $.50.

Acts 1973, No. 1290, p. 2203

Increased fee for first duplicate license to $1.50.

Acts 1975, No. 539, p. 1192

Required photograph on license and changed fee to $9 for a 4-year license ($.50 of which was retained by the probate judges and the counties) and provided for $9, 4-year nondriver identification cards; and changed use of driver license receipts appropriated from the State General Fund to "Public Safety use."

Acts 1979, No. 203, p. 311

Increased the fee from $9 to $10 for a 4-year license or nondriver identification card with the additional $1 for a total of $1.50 to be retained by the probate judges and/or the counties.

Acts 1980, No. 510, p. 789

Increased the fee for a 4-year driver's license or nondriver identification card to $15.

Acts 1980, No. 530, p. 829

Provided for an examination fee of $5 prior to testing for driver's license, temporary instruction and learner's permits and motor driven cycle operator's license.

Acts 1983, 3rd Ex. Sess., No. 825, p. 41

Provided that nondriver identification cards do not require renewal.

Acts 1984, No. 305, p. 678

Authorized the Department of Public Safety to levy an additional fee (not to exceed $.10 over actual costs of materials) to recover the cost of obtaining photo driver's licenses and nondriver's identification cards. The Department implemented this act effective January 7, 2002, at which time fees were increased by $3, with the additional $3 deposited to the Highway Traffic Safety Fund.

Acts 1984, 1st Ex. Sess., No. 815, p. 248

Provided for special 8-year nondriver identification cards for retarded persons for a fee of $2 and allowed the counties to retain $.25 for each card issued.

Acts 1988, 1st Ex. Sess., No. 728, p. 125

Increased the cost of duplicate license from $1.50 to $5 and the cost of subsequent duplicates from $4 to $15.

Acts 1988, 1st Ex. Sess., No. 729, p. 125

Increased the cost of temporary instruction and 15 year olds' learner's permit to $15 and extended validity of such permits to four years (converts to operator's license for duration if driver's examination passed during that time).

Acts 1988, 1st Ex. Sess., No. 731, p. 134

Increased the cost of an application for reinstatement of a canceled, suspended or revoked license to $50; established additional fee of $50 if canceled, suspended or revoked license not surrendered within 30 days.

Acts 1989, No. 878, p. 1759

Uniform Commercial Driver License Act. Effective October 1, 1990, persons driving a commercial motor vehicle must hold a commercial driver's license valid for the vehicle being driven (or must hold a valid automobile license and be accompanied by the holder of a commercial driver's license valid for said vehicle). Provided for an application fee of $5 (not assessed against existing bus drivers); $45 for a Class A CDL; $35 for a Class B CDL; and $15 for a Class C CDL.

Acts 1990, No. 577, p. 982

Provided for $15 fee for school bus driver's commercial driver's license.

Acts 1993, No. 352, p. 546

Levied an additional $25 fee for reinstatement of drivers' licenses suspended pursuant to this act for conviction of certain drug related crimes. The additional fee is deposited to the Public Safety Drug Offender Reinstatement Fund, for use of the Department of Public Safety.

Acts 1993, No. 769, p. 1538

Increased the fee for a 4-year regular driver's license, nondriver identification card or learner's license from $15 to $20; created the Public Safety Law Enforcement Fund into which the additional $5 is deposited, to be appropriated and expended for law enforcement purposes.

Acts 1995, No. 522, p. 1057

Changed nondriver's identification card for mentally handicapped persons from $2 fee and 8-year renewal requirement to $1.50 fee for permanent card; changed nondriver's identification card for physically disabled or legally blind persons from $20 fee for permanent card to $1.50 fee for permanent card; changed nondriver's identification card for persons age 62 and over from $20 fee for permanent card to the cost to the Department of Public Safety and the county issuance fee (total of $5 - $3.50 Department cost and $1.50 issuance fee). Fee for nondriver's identification card for persons less than age 62 who are not mentally or physically disabled or legally blind remained $20, however 8-year renewal required (formerly card was permanent).

Acts 2000, No. 800, p. 1901

Created the Highway Traffic Safety Fund for the Department of Public Safety to replace the Drug Offender Reinstatement Fund and the Public Safety Law Enforcement Fund; increased the fee from $5 to $15 for issuance of the first duplicate; and provided that all receipts from fees for duplicate of a lost or destroyed license shall be deposited in the Highway Traffic Safety Fund rather than to the State General Fund, effective October 1, 2000.

Acts 2001, No. 471, p. 627

Increased certain fees (also see MOTOR VEHICLE ACCIDENT REPORT FEE), effective August 1, 2001, imposed by the Department of Public Safety. The fee for reinstatement of a driver's license increased as follows:

- from $50 to $275 for a license canceled, suspended or revoked as a result of a drug or alcohol related offense, of which $200 shall be deposited to the Highway Traffic Safety Fund and $75 to the State General Fund (a $25 increase to the General Fund);
- from $50 to $175 for a license revoked as a result of an offense not related to drugs or alcohol, of which $100 shall be deposited to the Highway Traffic Safety Fund and $75 to the State General Fund (a $25 increase to the General Fund); and
- from $50 to $100 for a license canceled or suspended as a result of an offense not related to drugs or alcohol, of which $25 shall be deposited to the Highway Traffic Safety Fund and $75 to the State General Fund (a $25 increase to the General Fund).

This act also exempted from reinstatement fees anyone whose driver's license has been suspended for medical reasons.

Acts 2004, No. 521, p. 1060

Amended certain sections of the Alabama Uniform Commercial Driver License Act, including provisions to increase or add certain commercial driver license fees as follows:

- Increased the application fee for a Commercial Driver License (CDL) from $5 to $25, with $19.25 of the additional $20 to be deposited to the State General Fund and $.75 to the Peace Officers' Annuity and Benefit Fund.
- Increased the application for an endorsement fee from $5 to $25, with the additional $20 to be distributed to the Highway Traffic Safety Fund.
- Increased the retest fee from $5 to $15, with the additional $10 to be deposited to the Highway Traffic Safety Fund.
- Established an application fee of $25 for the CDL learner's permit, with $24.25 to be deposited to the State General Fund and $.75 to the Peace Officers' Annuity and Benefit Fund; a skills portion of the license test fee of $20, to be deposited to the Highway Traffic Safety Fund; and a hazardous materials endorsement fee, which shall not exceed the actual cost of conducting a background check, to be deposited to the Automated Fingerprint Identification System Fund.
- Increased by $5 the fee for the issuance of a CDL, with the additional $5 to be deposited to the Highway Traffic Safety Fund.
- Provided for the issuance of a CDL learner's permit, valid for one year, for a fee of $20, to be deposited to the Highway Traffic Safety Fund.

Acts 2006, No. 554, p. 1274

Provided that all driver license and nondriver identification card fees remain the same including the $1.50 fee that goes to the county. However, prior to enactment of this act in counties in which the judge of probate was compensated by fees (Marion and Winston), 40% of each $1.50 was retained by the judge and the remaining 60% was paid into the public highway and traffic fund of the county and in counties in which the judge is not compensated by fees, the entire amount ($1.50) was paid into the public highway and traffic fund of the county. This act provides that the $1.50 be remitted to the county general fund, rather than the public highway and traffic fund of the county and, in Marion and Winston Counties, the judge of probate (fund).

COMPARISON WITH NEIGHBORING STATES:

Florida

$27 original regular license and $20 renewal license fee for eight years; $27 learner's license for 15, 16 and 17 year olds (may be converted to operator's license after one year or upon 18th birthday); $10 nondriver's identification card for eight years, for persons 15 years or older and four years for persons five through 14 years old and $10 renewal fee; $67 for 8-year commercial driver license. Commercial driver licenses endorsed with hazardous materials are valid for four years. Commercial driver license endorsements and motorcycle endorsement are $7 for each endorsement. All licenses for customers age 80 or older are valid for six years.

Georgia

$35 for 10-year regular license; $10 learner's license for two years; $10 for graduated license for two years (16 and 17 year olds, first-time issuance); $20 for 5-year commercial license plus $5 for each endorsement added (total of five endorsements possible); $35 for 10-year nondriver's identification card. If renewed by mail, Internet or telephone, the person receives a $5 discount.

Mississippi

$20 for 4-year regular license for persons 18 and older; $5 for 1-year license for 16 and 17 year olds (must have educational form showing still enrolled in school or diploma to obtain or renew license); $13 for 4-year nondriver's identification card; $3 for 1-year learner's permit; $25 for commercial license for vehicles under 26,000 lbs.; $25 one-time application fee for commercial license for vehicles over 26,000 lbs. and those which carry hazardous waste or 16 or more passengers, plus $40 for 4-year commercial license, plus $5 for each endorsement (total of four endorsements possible); $12 learner's permit for commercial vehicles over 26,000 lbs. (paid at time of application fee).

Tennessee

$19.50 for a 5-year Class D license, $5.50 for one-year learner's permit; $9.50 for nondriver's identification card valid for 5 years (if under age 18, $5); $9 for permanent nondriver's identification card for handicapped; $46 for a Class A or $41 for a Class B or C license, valid for 5 years, plus $2.50 for each endorsement (total of five endorsements possible).

NOTE: The Department of Public Safety issued the following:

	2003-04	2004-05	2005-06	2006-07	2007-08
Drivers' Licenses (reg.)*	803,049	808,469	779,515	831,767	846,669
Drivers' Licenses (comm.)	80,289	34,640	35,167	57,339	78,805
Duplicate Licenses	221,814	219,752	278,023	280,486	282,152
Nondrivers' ID Cards**	29,298	31,078	35,467	49,689	56,506

*Includes learners' licenses.
**Excludes duplicates.

DRIVER RECORD REPORT FEE

STATUTORY AUTHORITY:

Sections 32-6-49.15 and 32-7-4 Code of Alabama 1975, as amended.

TAX BASE:

A fee paid by persons who request a motor vehicle operator's driver record abstract.

TAX RATE:

$5.75 for a five-year driver record history.

COLLECTIONS:

By the Department of Public Safety.

Fiscal Year	Collections ($)	Percent Change
2007-08	10,632,422	3.52
2006-07	10,271,009	5.57
2005-06	9,728,907	(7.70)
2004-05	10,540,844	(2.94)
2003-04	10,860,266	(0.02)

Source: "Comparative Summary of Revenues by Revenue Source" Report – Comptroller's Office.

DISTRIBUTION:

All proceeds are deposited into the State General Fund.

LEGISLATIVE HISTORY:

Acts 1951, No. 704, p. 1224

Established a fee of $.50 for a motor vehicle operator's record certified abstract.

Acts 1961, No. 707, p. 999

Provided that the fee for a motor vehicle operator's record certified abstract may be no less than $.50 but no more than $1, to be determined by the Director of the Department of Public Safety.

Acts 1971, No. 1598, p. 2743

Increased the fee for a motor vehicle operator's record abstract to $2.

Acts 1983, No. 722, p. 1177

Increased the fee for a motor vehicle operator's record abstract to $4.

Acts 1988, 1st Ex. Sess., No. 909, p. 486

Increased the fee for a motor vehicle operator's record abstract to the current rate.

Acts 1989, No. 878, p. 1759

Provided for the Alabama Uniform Commercial Drivers License Act, a provision of which is that driving record information will be provided to employers or prospective employers and businesses upon request and payment of a fee of $5.75.

COMPARISON WITH NEIGHBORING STATES:

Florida

$2.10 for a three-year driver record history; $3.10 for a seven-year history.

Georgia

$6 for a three-year driver record history; $8 for a seven-year history.

Mississippi

$11 for a three-year driver record history.

Tennessee

$5 for a three-year or seven-year driver record history.

ENVIRONMENTAL FEES

Dry Cleaning Facility Registration Fees

STATUTORY AUTHORITY:

Sections 22-30D-1 through 22-30D-12 Code of Alabama 1975.

TAX BASE:

A voluntary annual registration fee paid by each owner or operator of a dry cleaning facility located in the state and each wholesale distributor selling to dry cleaning facilities in the state electing to be covered by the Alabama Dry Cleaning Environmental Response Trust Fund, a self-insurance program for the dry cleaning industry.

TAX RATE:

(1) Existing owner or operator of a dry cleaning facility – 2% of the gross receipts earned in the state during the prior calendar year, not to exceed a total registration fee of $25,000, regardless of the number of facilities owned.

(2) Each new owner or operator coming into existence after May 24, 2000, acquiring an existing dry cleaning facility after May 24, 2000 – for the first year, 2% of the gross receipts earned in the state by the prior owner during the prior calendar year less any registration fee paid by the prior owner for the same year.

(3) Each new owner or operator coming into existence after May 24, 2000 – a one-time registration fee equal to $5,000 for the first year of operation, and for the second year a registration fee equal to the greater of $5,000 or 2% of the gross receipts earned by the new owner or operator during the first year of operation. Thereafter, the new owner or operator shall pay the normal annual registration fee.

(4) Wholesale distributors selling dry cleaning agents to dry cleaning facilities in the state – a registration fee of $5,000.

(5) Any person, other than an owner or operator or wholesale distributor who elects not to be covered, owning any abandoned dry cleaning facility who suspects contamination or any impacted third party who has reported contamination on its property to the Alabama Department of Environmental Management (ADEM) shall, prior to receipt of any payment from the Fund, pay a registration fee equal to $5,000 per site as a self-insurance premium for coverage under the Fund until the site is subject to no further action by ADEM.

(6) If the unobligated principal of the Fund equals or exceeds $8 million on April 1 of any year, the registration fees will not be collected on or after the next July 1 until April 1 of the following year. Thereafter, if the unobligated balance of the Fund equals $4 million or less, the registration fees will again be collected on and after the next July 1.

COLLECTIONS:

By the Department of Revenue on a quarterly basis for each owner or operator of a dry cleaning facility electing to be covered, one-fourth each on April 1, July 1, October 1, and January 1, to be delinquent on the 20th of each such month. The registration fee paid annually by each wholesale distributor electing to be covered must be paid annually to the Department of Revenue on April 1 and shall become delinquent on the 20th day of April.

Fiscal Year	Collections ($)	Percent Change
2007-08	501,622	(7.25)
2006-07	540,830	(20.53)
2005-06	680,526	(11.79)
2004-05	771,497	(5.05)
2003-04	812,493	(2.85)

Source: Department of Revenue's "Revenue Abstract."

MAJOR EXEMPTIONS:

(a) A "stand alone" coin-operated laundry or coin-operated dry cleaning facility.

(b) A facility located on a United States military base or owned by the United States or a department or agency thereof.

(c) A facility owned or leased by the state, any county, city, town, or public or quasi-public organization of the state, any public subdivision thereof, or any agency or department thereof, or any corporate body or system of the state under the management or administration of a board of control or governing board established by the state.

(d) A facility primarily engaged in uniform service or linen supply.

(e) Prisons, hotels, motels, industrial laundries or dry cleaners not providing services to the general public, hospitals or nursing homes.

(f) Any facility owned or leased by any owner or operator who elects not to be covered.

(g) An adjacent landowner seeking payment from the Fund is not required to pay a one-time registration fee.

DISTRIBUTION:

(1) As a first charge against revenues, to offset the costs in administering such collections, the Department of Revenue receives $50,000 each fiscal year.

(2) ADEM receives $75,000 each fiscal year. In addition, ADEM is entitled to be paid its actual cost of rulemaking and oversight.

(3) After the payment of the above distributions the balance of the revenues is deposited into the Alabama Dry Cleaning Environmental Trust Fund to be used by the Board as a dry cleaning industry self-insurance program for the payment of costs to covered owners or operators, persons owning any abandoned dry cleaning facility, wholesale distributors, impacted third parties, or adjacent landowners for each of the following:

(a) Investigation and assessment of contamination or suspected contamination; and

(b) Remediation, if necessary, of contamination pursuant to a remediation plan, which may consist of clean-up of affected soil and water.

LEGISLATIVE HISTORY:

Acts 2000, No. 740, p. 1624

Alabama Dry Cleaning Environmental Trust Fund Act. Established the self-insurance program; created the Alabama Dry Cleaning Environmental Response Trust Fund Advisory Board; and established the elective registration fees at current rates and distribution.

COMPARISON WITH NEIGHBORING STATES:

Florida

A gross receipts tax is levied on each dry cleaning facility at a rate of 2% of all charges. A tax of $5 gallon is levied on the sale of perchbroethylene to a dry cleaning facility.

Georgia and Mississippi

No comparable tax.

Tennessee

Active dry cleaning facilities must pay an annual fee based on the amounts of dry cleaning solvent purchased during the preceding state fiscal year as follows:

Gallons	Fee
Less than 75	$500
75 – 150	$1,000
Over 150	$1,500

Abandoned dry cleaning facilities electing to be covered may pay an annual fee of $1,500. After the initial registration, an abandoned facility can be registered provided that the current or prior owner or operator pays all fees plus $50 per month since January 1996. Instate wholesale distribution facilities must pay an annual registration fee of $5,500. Solvent surcharge fees of $10/gallon on non-hydrocarbon-based dry cleaning solution and $1/gallon on hydrocarbon-based dry cleaning solvent purchased by a dry cleaning facility. The fees and surcharges are deposited into the Dry Cleaner Environmental Response Fund, an environmental insurance policy used for the reimbursement of expenditures for investigation and remediation of sites impacted by a release of dry cleaning solvent.

Hazardous Waste Disposal and Monitoring Fees

STATUTORY AUTHORITY:

Sections 22-30-1 through 22-30B-20 Code of Alabama 1975, as amended.

TAX BASE:

A fee levied on operators of commercial hazardous waste disposal facilities for the disposal of waste at those facilities.

TAX RATE:

Effective June 2007. (See LEGISLATIVE HISTORY, Acts, 2007, No. 594.)

Emelle Facility Only

		Distribution			
Type of Waste	Total Fee ($) (Per Ton)	ADEM ($)	Sumter County ($)	Hazardous Substance Clean–up Fund ($)	State General Fund ($)
All Hazardous/PCB	31	1	7.40	1	21.60[1]
U Type	56	1	7.40	1	46.60
P Type	93	1	7.40	1	83.60
Non Hazardous	21	1	7.40	1	11.60 [2]

All Other Facilities

		Distribution		
Type of Waste	Total Fee ($) (Per Ton)	ADEM ($)	Hazardous Substance Clean–up Fund ($)	State General Fund ($)
All Hazardous/PCB	43.60	1	1	41.60[1]
U Type	68.60	1	1	66.60
P Type	105.60	1	1	103.60
Non Hazardous	13.60	1	1	11.60 [2]

[1] If available, $500,000 annually is deposited into the Alabama Legacy for Environmental Research Trust Fund (ALERT) to be granted to Alabama public institutions of higher education with programs in environmental research and service. Also, see DISTRIBUTION on following page regarding further reductions in total State General Fund amounts.

[2] After May 1, 2006, revenues generated from this fee on the disposal of emission control dust/sludge from the primary production of steel in arc furnaces (K061) and any waste that is de-characterized and rendered non

hazardous are distributed: (1) one-half to all counties having a commercial site for the disposal of hazardous waste; and (2) one-half to the State General Fund with the first $400,000 being earmarked for appropriation to the Alabama Department of Environmental Management (see LEGISLATIVE HISTORY, Acts 2006, No. 306).

COLLECTIONS:

By the Department of Revenue by the 30th day of the month following receipt by commercial hazardous waste disposal facilities of hazardous waste. Fees collected for county purposes ($7.40 per ton total) are collected by the county.

Fiscal Year	Hazardous Waste Fee Collections ($) (State Only*)	Percent Change
2007-08	2,002,056	(27.40)
2006-07	2,757,738	23.11
2005-06	2,240,097	(21.10)
2004-05	2,839,060	(5.14)
2003-04	2,992,891	(8.99)

*Excludes county fees and the $1/ton ADEM monitoring fee. Collections from the reduced rate at the Emelle facility began in July 2007. This is currently the only commercial disposal facility in the state.
Source: Department of Revenue's "Revenue Abstract."

Fiscal Year	Hazardous Waste Monitoring Fee to ADEM* Collections ($)	Percent Change
2007-08	390,860	(10.58)
2006-07	437,120	20.34
2005-06	363,240	(8.53)
2004-05	397,135	36.07
2003-04	291,859	(40.89)

*Includes fees provided by Act 83-480, as amended (county fee), Act 84-447 ($1/ton ADEM monitoring fee), and a permit fee (imposed by administrative action) of $170 initially with a $170 renewal fee every two years for certification of each waste stream going to commercial hazardous waste disposal facilities in the state. The current permit fee became effective January 2008. From November 2006 through December 2007, the fees were $155 for both initial and renewal permits. From January 2006 through October 2006, the fees were $145 for both initial and renewal permits. The fees prior to January 2006 were $125 for each type of permit.
Source: "Comparative Summary of Revenues by Revenue Source" Report – Comptroller's Office.

MAJOR EXEMPTIONS:

The cap of 600,000 tons imposed by Act 92-658 does not apply to nonhazardous waste that cannot be disposed of at subtitle D landfills (industrial waste). In addition, the cap can be lifted if it is determined that such action is in the best interest of public health or the environment of the state, or if the Governor determines the cap is an impediment to compliance with other applicable state or federal laws.

DISTRIBUTION:

See TAX RATE. Distribution to the State General Fund of the state share may be reduced by:

(1) The amount necessary to pay to all counties which have commercial hazardous waste disposal facilities, and which have a population of less than 25,000, 2.5% of the difference in the fees generated by Act 92-658 and those in effect on October 1, 1989.

(2) The amount necessary to ensure that counties identified in (1) above receive from hazardous waste disposal fees annually the lesser of $4.2 million or 100% of total hazardous waste disposal fees paid to the state. In determining whether the county is entitled to receive all or a portion of the guaranteed minimum, there is charged against this amount all receipts received from the state fees and any other applicable local act.

Note: The above distributions to counties take priority over the distribution to ALERT described under TAX RATE.

(3) Up to $4.5 million annually pledged to pay the principal, premiums and interest of any bonds which may be issued by the Alabama Public Health Finance Authority under the provisions of Act 90-598. (Note: The fees are not currently used for this purpose.)

(4) Cost of collection as provided by Section 22-30B-3 of the Code.

LEGISLATIVE HISTORY:

Acts 1981, No. 229, p. 307

Local act which levied $5 per ton (or $2 per barrel) fee on all waste disposed of at Chemical Waste disposal site in Sumter County. Said fee deposited to Sumter County General Fund, for use as specified in the act, less 15% ($0.75 per ton) to the state treasurer – 5% for deposit in the State Hazardous Waste Management Fund and 10% for deposit in a special account to be used for the state's perpetual care responsibilities under the Hazardous Waste Act of 1978 (Act 78-129.)

Acts 1981, 1st Ex. Sess., No. 916, p. 51

Amended Act 81-229 regarding to the distribution of the Sumter County share of the $5 per ton (or $2 per barrel) fee on all waste disposed of at the Chemical Waste disposal facility in Sumter County; and also

reduced the percentage remitted to the state treasurer from 15% to 10% (5% for deposit in the State Hazardous Waste Management Fund and 5% for deposit in the special account for the state's perpetual care responsibilities under the Hazardous Waste Act of 1978 (Act 78-129)).

Acts 1983, No. 480, p. 672

Amended Act 81-229 to alter the distribution of the Sumter County share of the $5 per ton fee (or $2 per barrel) on all waste disposed of at the Chemical Waste disposal facility in Sumter County to include $100,000 annually to ADEM; and eliminated the 10% formerly remitted to the state treasurer.

Acts 1984, No. 447, p. 1056

Levied a fee of $1 per ton on all hazardous waste received at commercial hazardous waste disposal sites receiving off-site waste for disposal to be used by ADEM to finance a three member monitoring team to monitor the operations of such sites.

Acts 1985, No. 751, p. 1244

Clarified that the $1 per ton disposal fee authorized by Act 84-447 is to be paid by the operators of hazardous waste disposal facilities.

Acts 1988, 1st Ex. Sess., No. 872, p. 392

Effective November 1, 1988, established the state hazardous waste disposal fee at $7.60 per ton (to the State General Fund, less collection costs of the Department of Revenue not to exceed 10% of collections). County fee increased by $.40 (to $5.40) said increase designated to the county general fund to be expended for health purposes.

Acts 1989, No. 786, p. 1570

Provided that the tax levied on the disposal of hazardous waste generated outside the State of Alabama to impose a fee on such waste at the higher of: (1) fee imposed on the disposal of such waste in the state where the waste was generated or (2) fee imposed on the disposal of hazardous waste generated and disposed of in Alabama. The fees were effective October 1, 1989.

Acts 1989, No. 787, p. 1571

Increased hazardous waste disposal fees by a total of $16 per ton to be implemented as follows:

		Distribution	
Effective Date	Fee Increase ($) (per ton)	SGF ($)	Co. GF ($)
10–1–89	8	7.00	1.00
10–1–90	4	3.50	.50
10–1–91	4	3.50	.50

Further specified that State General Fund revenues from this act were not to be appropriated until FY 1991.

Acts 1990, No. 326, p. 448

Increased the state fees for disposal of hazardous waste to:

Date	Total Fee ($) (per ton)	ADEM ($)	Distribution SGF ($)	Co. GF ($)
Through 7-14-90	22.00	1	14.60	6.40
7-15-90:				
In-state	40.00	1	32.60	6.40
Out-of-state	112.00	1	104.60	6.40
10-1-90:				
In-state	40.50	1	32.60	6.90
Out-of-state	112.50	1	104.60	6.90
10-1-91				
In-state	41.00	1	32.60	7.40
Out-of-state	113.00	1	104.60	7.40

(County increases provided by Act 89-787.) Provided for county receipts and pledging of receipts for Public Health facility bonds (as described in DISTRIBUTION).

Note : On June 1, 1992 the U.S. Supreme Court ruled that the differential fee established by this act was unconstitutional, so that beginning May 1, 1992 all waste was assessed at the in-state rate.

Acts 1992, 2nd Ex. Sess., No. 658, p. 32

Provided a base fee for hazardous/PCB waste and an additional fee for “P” waste and “U” waste; and established fee for nonhazardous waste. These fees are the same for in-state and out-of-state generated waste. Established fee of $1 per ton for the Hazardous Substance Clean-up Fund. Provided for a cap of 600,000 tons on waste disposed of at commercial sites. Exceptions to this cap are given in the act (see EXEMPTIONS). Established a trust fund, ALERT, to be used to make matching grants to higher education institutions in Alabama with programs of “service and research.”

Acts 1999, No. 195, p. 231

Amended the distribution of the fees levied by Act 83-480 by reducing the distribution to ADEM to $50,000 effective October 1999, and redirecting the funds elsewhere.

Acts 2006, No. 306, p. 644

Exempted from the base fee of $41.60/ton the disposal of dust/sludge from the primary production of steel in electric arc furnaces (K061) and hazardous waste that will be de-characterized and rendered non hazardous and subjected such disposal to a fee of $11.60/ton. The act also provided for the distribution of half of the

revenues generated from such waste to counties having a commercial site for the disposal of hazardous waste and half to the State General Fund with the first $400,000 each year earmarked for appropriation to the Department of Environmental Management.

Acts 2007, No. 594, p. 1204

Reduced the base fee for disposal of hazardous waste at the commercial disposal facility located in Emelle, Alabama from $41.60 to $21.60 per ton. This facility is currently the only commercial disposal facility for hazardous waste in the state.

COMPARISON WITH NEIGHBORING STATES:

Florida

3% tax levied on annual gross receipts of a privately owned, permitted, commercial hazardous waste transfer, storage, treatment or disposal facility.

Georgia

Off-site Treatment – Every large quantity generator must pay an annual fee of $20 per ton for incineration/disposal; $16 per ton for treatment/storage; $2 per ton for recycling or reuse; $9 per ton for treatment by being burned for energy recovery, up to a maximum of $75,000 per year.

On-site Treatment – Every large quantity generator must pay an annual fee of $10 per ton for incineration/disposal; $4 per ton for treatment/storage; $1 per ton for recycling or reusing; $2.50 per ton for treatment by burning for energy recovery, up to a maximum of $75,000 per year. Per year payments for large quantity generators that treat wastewater may not exceed $7,500.

For commercial facilities which receive waste from out-of-state, the following fees are assessed: $20 per ton for incineration/disposal; $16 per ton for treatment/storage; $2 per ton for recycling or reusing; $9 per ton for treatment by burning for energy recovery, up to a maximum of $75,000 per year.

Mississippi

Large and small quantity generators of certain regulated hazardous wastes and operators of certain facilities are subject to a pollution prevention fee which ranges from $250 per year to $50,000 per year, dependent upon the amount of waste generated or chemicals released. In addition, the owners or operators of commercial hazardous waste management facilities must pay a waste disposal fee equal to:

(1) $10 per ton for waste generated and disposed of in Mississippi by means of land disposal and for waste generated and stored for one year or more in Mississippi.

(2) $2 per ton for waste generated and treated in Mississippi and for waste generated and stored for less than one year in Mississippi.

(3) $1 per ton for waste generated and recovered in Mississippi.

(4) For all hazardous waste generated outside of Mississippi and received at a Mississippi commercial management facility during the preceding year, the facility owner/operator must pay the higher of (1) an amount equal to the fee imposed on the management of such waste by the state from which the waste originated or (2) the fees imposed for hazardous waste disposed of in Mississippi.

Tennessee

The annual fees for the management and generation of hazardous waste of 1,200 kilograms or greater is based on the amount of waste generated the prior year as follows:

FY 1997-98 and thereafter

$.20 per kg.

($650 minimum; $22,000 maximum)

Generators who ship hazardous waste off-site pay an additional $14 per ton. Generators who ship hazardous wastewater off-site pay an additional fee of $7 per ton. A single generator will not pay more than $50,000 for shipping waste off-site. Exemptions from these fees are allowed and include recycled waste, waste generated from remediation actions and others as enumerated in the state law.

Scrap Tire Environmental Fees

STATUTORY AUTHORITY:

Sections 22-40A-1 through 22-40A-24, Code of Alabama 1975, as amended.

TAX BASE:

A fee on replacement tires, whether or not the tires are mounted on a rim or wheel.

TAX RATE:

$1 per replacement and retreaded casing replacement tire when sold to a consumer.

COLLECTIONS:

By the tire dealer from the consumer and paid monthly to the Department of Revenue by the 20th day of the following month. The tire dealers may retain 5% of the fees collected for each timely report filed.

Fiscal Year	Collections ($)*	Percent Change
2007-08	3,937,283	(3.78)
2006-07	4,091,866	(4.07)
2005-06	4,265,632	5.91
2004-05	4,027,559	8.73
2003-04	3,704,209	N/A

*Collections began in FY 2004.

Source: Department of Revenue's "Revenue Abstract."

MAJOR EXEMPTIONS:

All government organizations, whether federal, state or other local governing bodies are exempt from the payment of fees.

DISTRIBUTION:

Proceeds are deposited into the Scrap Tire Fund and distributed as follows:

(1) Between 45% to 75% of monies deposited to the Scrap Tire Fund during the previous budget year to pay the costs of remediation, abatement, removal, or other remedial action related to tire stockpiles throughout the state.

(2) Up to 20% of monies deposited to the Scrap Tire Fund during the previous budget year to pay the Department of Environmental Management for the costs associated with the development and enforcement of regulation.

(3) From zero to 20% of monies deposited to the Scrap Tire Fund during the previous budget year to administer a program, managed by the Department of Economic and Community Affairs, directed at promoting and developing markets as an alternative to the landfill disposal of scrap tires or processed tire material as an end use.

(4) Up to 10% of monies deposited to the Scrap Tire Fund during the previous budget year to fund programs delegated to counties for enforcement of regulations.

(5) Up to 5% to pay the tire dealer for collection and accounting costs associated with collection of the fee.

(6) Up to 2% to pay the costs of administration of the Department of Revenue.

The actual distribution percentages are established by the Scrap Tire Commission.

LEGISLATIVE HISTORY:

Acts 2003, No. 332, p. 823

Alabama Scrap Tire Environmental Quality Act. Levied a $1 scrap tire environmental fee on each replacement tire sold in the state and provided the current distribution; authorized the Department of Environmental Management to administer and enforce the program and establish permit fees for processors; reestablished the Scrap Tire Commission; and repealed the scrap tire license statute effective October 1, 2004.

Acts 2006, No. 559, p. 1285

Made technical changes regarding the permitting requirements for processors and transporters of scrap tires; and authorized the Department of Revenue to share information related to the collection and administration of the fee with the Department of Environmental Management.

COMPARISION WITH NEIGHBORING STATES:

Florida

$1 per new tire sold for use on a motor vehicle. The fee excludes tires sold for resale and tires for use on vehicles track driven or used on a farm.

Georgia

Until June 30, 2005, a fee of $1 per tire sold on all new replacement tires.

Mississippi

$1 for each new motor vehicle tire with a diameter of less than 24 inches and $2 for each tire with a diameter of 24 inches or more.

Tennessee

$1 fee on new tires sold at retail. The fee includes all tires for vehicles that travel on the roads and those from farm tractors and equipment.

Underground and Aboveground Storage Tank Regulatory Fees

STATUTORY AUTHORITY:

Sections 22-35-1 through 22-35-13 and 22-36-1 through 22-36-6 Code of Alabama 1975, as amended.

TAX BASE:

(1) An Underground and Aboveground Storage Tank Trust Fund fee levied on certain defined owners of underground or aboveground storage tanks (including pipes connected thereto) used for the storage, use or dispensing of motor fuels. (See TAX RATE.)

(2) An Underground and Aboveground Storage Tank Trust Fund charge on those ordering the first withdrawal from bulk.

(3) A tank regulation fee levied on certain defined owners or operators of underground storage tanks.

TAX RATE:

(1) The tank fee of up to $150 per year per regulated tank. (Note: This fee has not been collected since 1993 due to sufficient funds to operate the program being provided by the other fees.)

(2) The Underground and Aboveground Storage Tank Trust Fund charge is imposed on the first withdrawal from bulk in this state and is an amount based on invoiced gallons of no less than $.003 per gallon and no more than $.01 per gallon as annually recommended by the Underground and Aboveground Storage Tank Trust Fund Management Board beginning October 1, 2004. Effective October 1, 2004, the fee is $.01 per gallon. From January 1, 2004 until September 30, 2004, the fee was $.005 per gallon. Prior to January 1, 2004 the fee was a flat fee based on invoiced gallons ranging from $1.50 to $27.

(3) The underground tank regulation fee is $30 per tank.

COLLECTIONS:

The $150 tank fee (if charged) and the $30 tank regulation fee are collected by the Alabama Department of Environmental Management. The fuel charge is collected by the operator of the bulk facility and remitted by the 20th of the month, following the month for which fees are due, to the Department of Revenue.

Fiscal Year	Collections ($)*	Percent Change
2007-08	35,720,767	(4.07)
2006-07	37,236,877	(4.59)
2005-06	39,028,208	9.98
2004-05	35,486,037	120.04
2003-04	16,127,057	43.90

*Includes collections from both the tank charge and regulatory fee. Collections from revised tank charges began January 2004.

Source: "Comparative Summary of Revenues by Revenue Source" Report - Comptroller's Office.

MAJOR EXEMPTIONS:

(1) Farm or residential tank of 1,100 gallons or less capacity used for storing motor fuel for noncommercial purposes.

(2) Tank used for storing heating oil for consumptive use on the premises where stored.

(3) Septic tank.

(4) Pipeline facility (including gathering lines) regulated under:

- (a) The Natural Gas Pipeline Safety Act of 1968;
- (b) The Hazardous Liquid Pipeline Safety Act of 1979; and
- (c) An intrastate pipeline facility regulated under state laws comparable to provisions (a) or (b) above.

(5) Surface impoundment, pit, pond, or lagoon.

(6) Stormwater or wastewater collection system.

(7) Flow-through process tank.

(8) Liquid trap or associated gathering lines directly related to oil or gas production and gathering operations.

(9) Storage tank situated in an underground area (such as a basement, cellar, mineworking, drift, shaft, or tunnel) if the storage tank is situated upon or above the surface of the floor.

(10) Other underground tanks exempted by the administrator of the federal Environmental Protection Agency.

(11) Piping connected to any of the above exemptions.

(12) Pipeline terminals, refinery terminals, rail and barge terminals and tanks associated with each.

(13) The Underground and Aboveground Storage Tank Trust Fund charge does not apply to any withdrawal from bulk of fuel oil to be used in the generation of electricity.

DISTRIBUTION:

(1) As a first charge against revenues collected from the per gallon tank charge, there is appropriated to the Department of Revenue the amount of money necessary to pay its cost of administration, not to exceed $150,000 annually. The remaining receipts are deposited into the Alabama Underground and Aboveground Storage Tank Trust Fund and the unobligated balance of the Fund is invested by the Retirement Systems of Alabama for the benefit of the Fund. Monies in the Fund are used for the following purposes:

(a) To pay the administration costs of all the provisions of the program, including the expenses certified by the Board as proper and necessary incurred in the discharge of its duties. The Department of Environmental Management's actual cost of administering the program shall not exceed 8% of the total fees and charges collected annually or a maximum of $705,000 per year, whichever is less. In no event will the Department's allocation for this purpose be less than $400,000 in any given year. Provided, however, the Legislature may make additional appropriations to the Department from the Fund upon showing of need for such additional amounts in the administration of the Fund. Any additional appropriations shall not exceed in any year 5% of the total fees and charges collected annually.

(b) To pay third parties who bring suit and obtain final judgment against the Fund and the owner or operator of an underground or aboveground motor fuel storage tank who is in substantial compliance with the Fund

(c) To pay response action contractors as approved by the Department for remedial action or clean-up work.

(2) The tank regulation fee is used by the Alabama Department of Environmental Management for administrative costs in the underground tank regulatory program and to provide the 10% state match required by the federal Leaking Underground Storage Tank Program.

LEGISLATIVE HISTORY:

Acts 1988, No. 378, p. 557

Created the Alabama Underground Storage Tank Trust Fund, and provided for the tank fee to be credited to the Underground Storage Tank Trust Fund; and provided for third party claims and disbursements to be paid from the Fund. (See TAX RATE.)

Acts 1988, No. 537, p. 823

Provided for the regulatory program for underground storage tanks and a tank regulation fee to be used by the Department of Environmental Management.

Acts 1993, No. 628, p. 1062

Made the tank fee applicable to underground and aboveground storage tanks; authorized the assessment of an Underground and Aboveground Storage Tank Trust Fund charge and renamed the existing Trust Fund accordingly; and provided that this charge would be the primary funding mechanism for the Alabama Underground and Aboveground Storage Tank Trust Fund and included certain aboveground motor fuels storage tanks in the provisions of the statute.

Acts 1993, 1st Ex. Sess., No. 891, p. 165

Provided for the Underground and Aboveground Tank Trust Fund charge to be on invoiced gallons ranging from $1.50 to $27. A portion of the Underground and Aboveground Storage Tank Trust Fund was appropriated retroactively for the fiscal year ending September 30, 1994 and each subsequent fiscal year to the Department of Environmental Management for administrative costs related to the provisions of this act.

Acts 2003, 2nd Ex. Sess., No. 483, p. 1486

Created the nine member Underground and Aboveground Storage Tank Trust Fund Management Board to replace the previous advisory board and authorized the new Board to, among other things, on an annual basis beginning October 1, 2004, recommend to the Environmental Management Commission a fuel fee based on invoiced gallons of not less than $.003 per gallon nor more than $.01 to replace the flat fee schedule; established the initial fee of $.005 per gallon beginning January 1, 2004; authorized the Legislature to make additional appropriations above statutory limits from the Fund to the Department of Environmental Management for administrative expenses not to exceed 5% of the total fees collected; and removed the previous $10 million cap on tank fee charges, which allows the fees to be collected continuously.

COMPARISON WITH NEIGHBORING STATES:

Florida

A tank registration fee of $50 initially (with the exception of a replacement tank, which is $25) and $25 for annual renewal on underground tanks up to a 250,000 gallons capacity and $1 thereafter for each additional 10,000 gallons. The maximum is $1,000 per tank or $2,500 per facility.

Georgia

In order to participate in the reimbursement benefits of the Underground Storage Tank Trust Fund, a potential claimant must pay an environmental assurance fee on petroleum products imported into the state of up to $.01 per gallon. No other fees or permits are required. The fee is only applicable to underground tanks.

Mississippi

Environmental protection fee to fund the Groundwater Protection Trust Fund of $.004 per gallon and an annual facility fee of $100 per tank.

Tennessee

Environmental assurance fee of $.004 per gallon and an annual storage tank fee of $125 per tank.

ESTATE TAX AND GENERATION-SKIPPING TRANSFER TAX

CONSTITUTIONAL PROVISIONS:

Article XI, Section 219 of the Constitution of Alabama of 1901, now appearing as Section 219 of the Official Recompilation of the Constitution of Alabama of 1901, as amended

Authorized the Legislature to levy a tax of not more than 2.5% of the value of all estates, real and personal, money and public and private securities passing from any person who may die to any other person except if the estate is for the use of the father, mother, husband, wife, brothers, sisters, children, or lineal descendants of the grantor.

Amendment No. 23 to the Constitution of Alabama of 1901, now appearing as Section 219 of the Official Recompilation of the Constitution of Alabama of 1901, as amended

Annulled the previous section of the Constitution relating to Estate Taxes and authorized the Legislature to provide for the assessment, levy and collection of a tax upon inheritances and for the levying of estate taxes not to exceed the amount to be credited against or deducted from any similar tax levied upon inheritances or estates levied by the U.S. Government. The state tax on inheritances and estates may be levied only so long as the federal tax is enforced and only to the extent of absorbing any credit allowed under the federal tax.

STATUTORY AUTHORITY:

Sections 40-15-1 through 40-15-19 and 40-15A-1 through 40-15A-14 Code of Alabama 1975, as amended.

TAX BASE:

Estate tax on all net estates passing by will, devise or under intestate laws of Alabama. Generation-skipping transfer tax on any real property of a transferor located in Alabama and any tangible or intangible personal property of a transferor located in the State of Alabama.

TAX RATE:

The estate tax and the generation-skipping transfer tax is an amount equal to the tax credit allowable under the federal estate tax and federal generation-skipping transfer tax laws. The tax on nonresident estates is imposed on the proportionate share of the net estate which Alabama property bears to the entire estate.

COLLECTIONS:

By the Department of Revenue within nine months after death. The amounts below represent Estate Tax collections. To date, no Generation-Skipping Tax has been received by the state.

Fiscal Year	Collections ($)	Percent Change
2007-08	258,162	(63.37)
2006-07	704,852	(74.93)
2005-06	2,811,640	(82.71)
2004-05	16,257,199	(44.83)
2003-04	29,467,197	(12.17)

Source: Department of Revenue's "Revenue Abstract."

STATUS OF THE ESTATE TAX:

The Economic Growth and Tax Relief Reconciliation Act of 2001, and made major changes in the federal Estate Tax and the Generation-Skipping Transfer Tax. These tax changes will be phased-in as follows:

Calendar Year	Estate/Generation-Skipping Transfer Tax Exemption	Highest Tax Rate
2002	$1,000,000	50%
2003	$1,000,000	49%
2004	$1,500,000	48%
2005	$1,500,000	47%
2006	$2,000,000	46%
2007	$2,000,000	45%
2008	$2,000,000	45%
2009	$3,500,000	45%
2010	taxes repealed	-

In calendar year 2011, because of the sunset provisions of the federal act, both taxes would revert to the exemption level of $1,000,000 and to the level of 55% for the highest marginal rate. Under the previous federal law, Alabama estates were given a credit for estate taxes paid to the state. The amount of that credit was based on a graduated rate schedule. The 2001 tax relief act reduced this state tax credit as follows:

Calendar Year	Credit Reduction
2002	25%
2003	50%
2004	75%
2005	Repealed

Because Section 219 of the Official Recompilation of the Constitution of Alabama of 1901 allows for the collection of an Estate Tax in Alabama only as long as a credit may be absorbed under the federal tax, no estate tax has been collected in Alabama on estates with a date of death occurring after December 31, 2004.

DISTRIBUTION:

After the cost of collection is deducted, all proceeds are deposited into the State General Fund. The entire proceeds of the generation-skipping transfer tax are to be deposited in the State General Fund.

LEGISLATIVE HISTORY:

Acts 1935, No. 194, p. 256

Established the inheritance tax.

Acts 1939, No. 593, p. 965

Addressed the issue of taxation of certain intangible personal property (such as money, credit or securities) held in a trust, so as to levy the tax on such property unless the property is subject to taxation in another state; the other state must also provide a reciprocal tax exemption for similar Alabama property.

Acts 1951, No. 939, p. 1606

Provided for cost of collection for the Department of Revenue.

Acts 1983, No. 740, p. 1208

Changed the due dates of estate taxes following the decedent's death from fifteen months to nine months; and altered the interest rate for delinquent payments (one-time windfall for General Fund).

Acts 1988, 1st Ex. Sess., No. 837, p. 307

Levied a "generation-skipping transfer" tax, allowing Alabama to collect an amount equal to the tax credit allowable on the federal generation-skipping tax collected in Alabama.

Acts 1992, No. 186, p. 349

The Taxpayers' Bill of Rights Act amended the provisions of this tax relating to interest charged on late payments, methods of commencing actions for recovery of charges, and by repealing sections of the Code so that the administration of this tax is in line with new provisions of the law relating to taxpayers rights.

Acts 2001, No. 468, p. 622

Allowed the executor of any estate to file an affidavit which shall be sufficient authority to carry on the business of the estate; and provided for a personal liability provision to apply to the personal representative for any tax later determined to be due.

Acts 2002, No. 516, p. 1330

Provided for removal of the requirement that the affidavit filed by the personal representative contain the value of the estate and the acknowledgment by the personal representative of the personal liability for any tax later determined to be due.

COMPARISON WITH NEIGHBORING STATES:

Florida

The tax on estates was the amount by which the maximum allowable federal estate tax credit for state death taxes paid to the various states exceeded all estate and inheritance taxes paid to the states (other than Florida). Florida is one of the states tied to the federal tax law. Since the Florida estate tax was based solely on the federal credit, estates with a date of death that occurred after December 31, 2004 were not taxed. In addition, a generation-skipping transfer tax is imposed in an amount equal to the amount allowable as a credit for state legacy taxes under IRS rules to the extent that the credit exceeds the aggregate amount of all constitutionally valid taxes on the same transfer actually paid in states other than Florida.

Georgia

Imposed an estate tax of an amount equal to the maximum credit allowable under the federal estate tax laws. Georgia is one of the states tied to the federal tax law. The estate tax does not apply to any estate with a date of death that occurred in a year for which the IRS does not allow a credit for state death taxes (after December 31, 2004). There is no generation-skipping tax in Georgia.

Mississippi

The estate tax was equal to the maximum amount of state death tax credit allowed by the federal estate tax laws. Mississippi is one of the states tied to the federal tax law. Since the Mississippi estate tax was based solely on the federal credit, estates with a date of death that occurred after December 31, 2004 were not taxed. There is no generation-skipping tax in Mississippi.

Tennessee

Imposed an inheritance tax of 5.5% up to 9.5% depending on the value of the net taxable estate. Estates over $440,000 pay $30,200 plus 9.5% of the excess over $440,000. A full exemption is allowed to spouses and an exemption equal to $1,000,000 is allowed to all other beneficiaries. A Gift Tax is also imposed with rates ranging from 5.5% to 9.5% for immediate descendents and 6.5% to 16% for all other beneficiaries. A Generation-Skipping Tax is imposed similar to the Alabama tax. Tennessee is one of the states with an inheritance tax independent of the federal estate tax. The estate tax is meant to pick up the difference between the state inheritance tax and the maximum credit allowed by federal law. Because of the lack of a federal credit the state inheritance tax is the sole tax levied on estates.

FINANCIAL INSTITUTION EXCISE TAX

STATUTORY AUTHORITY:

Sections 40-16-1 through 40-16-8 Code of Alabama 1975, as amended.

TAX BASE:

Excise tax on net income of any credit union, bank, banking association, trust company, loan company or association, or person or institution coming into competition with the business of national banks.

TAX RATE:

6.5% of taxable net income.

COLLECTIONS:

By Department of Revenue; annual returns are filed by institutions by April 15, and tax is deposited into the state treasury to be distributed each September 1.

Fiscal Year	Collections ($)	Percent Change
2007-08	30,457,292	(41.78)
2006-07	52,311,988	(33.54)
2005-06	78,709,797	148.68
2004-05	31,651,348	(21.75)
2003-04	40,450,852	76.52

Source: Department of Revenue's "Revenue Abstract."

EXEMPTIONS AND CREDITS:

Moneyed capital employed in the business and the shares of all financial institutions are exempted from ad valorem taxation. Financial institutions are allowed dollar-for-dollar credits against their excise tax liabilities for amounts paid in other taxes levied, including but not limited to sales and use taxes, utility taxes, and portions of certain local license taxes.

DISTRIBUTION:

After the cost of collection is deducted by the Department of Revenue, the amount of revenue generated by

the additional .5% tax rate added by Acts 1999, 2nd Ex. Sess., No. 664, is distributed to the State General Fund. The remaining proceeds are distributed as follows: 25% to the State General Fund; 25% to the counties in which institutions are located; and 50% to the cities in which the institutions are located. Revenue from taxpayers with no physical presence in the state is distributed to the State General Fund.

LEGISLATIVE HISTORY:

Acts 1935, No. 194, p. 256

Established financial institution excise tax at 6%.

Acts 1965, No. 276, p. 390

Provided that production credit associations were to be subject to the excise tax.

Acts 1978, No. 840, p. 1247

Provided that bank holding companies were to be recognized as financial institutions for excise tax purposes and were therefore exempted from state income taxation.

Acts 1991, No. 478, p. 866

Permitted incorporated municipalities to levy license taxes, but not in excess of those authorized by Section 11-51-130, Code of Alabama 1975. This tax may be credited against the tax levied by Section 40-16-4.

Acts 1993, 1st Ex. Sess., No. 852, p. 95

Expanded deductions from gross income to include the amount of aid or assistance provided to the State Industrial Development Authority.

Acts 1999, 2nd Ex. Sess., No. 664, p. 124

Increased the tax rate to 6.5% for all tax years beginning after December 31, 2000; and provided that all revenue generated from the increased tax rate be deposited to the State General Fund. The rate increase was contingent upon the ratification of the constitutional amendment proposed by Act 99-600. The amendment was ratified as Amendment No. 662 on June 19, 2000.

Acts 1999, 2nd Ex. Sess., No. 665, p. 131

Directed the Department of Revenue to adopt regulations to prescribe the method of allocating and apportioning net income of financial institutions that do business in more than one state; provided that businesses issuing credit cards to Alabama residents are subject to the tax; and provided that all revenue generated from taxpayers with no physical presence of the state is to be distributed to the State General Fund.

Acts 2006, No. 114, p. 173

Conformed Alabama tax law to federal law regarding the taxation of trusts and estates. Known as "Subchapter J and Business Trust Conformity Act."

COMPARISON WITH NEIGHBORING STATES:

Florida

5.5% of federal taxable income apportioned to Florida with adjustments (under corporate income tax). There is also a Florida alternative minimum tax requirement.

Georgia

A state occupation tax is imposed on depository financial institutions at the rate of 0.25% of the gross receipts. Also, corporate income tax of 6% of taxable net income.

Mississippi

Corporate income tax rates of 3% on first $5,000 of taxable income, 4% on next $5,000, and 5% on all in excess of $10,000.

Tennessee

Corporate income tax of 6.5% on net earnings (if the sum of the assets and the absolute value of its deposits attributable to sources within the state is $5 million or more).

FIREWORKS AND EXPLOSIVES PERMIT FEES

STATUTORY AUTHORITY:

Sections 8-17-210 through 8-17-226 and 8-17-240 through 8-17-256 Code of Alabama 1975, as amended.

TAX BASE:

(1) Permit required prior to engaging in the manufacture or sale within the state, or shipment into the state, of any fireworks. A permit is required for each location at which fireworks are to be offered for sale. Permits expire each December 31.

(2) Certification required prior to detonating explosive materials or supervising the conduct of a blasting operation. Blasting contractor license required prior to engaging in blasting or other use of explosives for commercial purposes. Certification and licenses expire one year following the date of issuance.

TAX RATE:

Fireworks:

Manufacturer	$2,000
Distributor	$2,000
Wholesaler	$700
Retailer	$200
Seasonal Retailer	$200
Seasonal Retailer after July 10	$100
Public Display	$50 ($100 if application received less than 10 days prior to display)
Close Proximate Audience Display	$100 plus $50 for each subsequent event on the same calendar day ($200 plus $100 for each subsequent event if application received less than 10 days prior to display)

Explosives:

Certification	$100
Blasting contractor license	$2,000
Variation request application	Up to $50 per applicant (fee established by Fire Marshal's Office)
Municipal explosives use permit	$25 per applicant

COLLECTIONS:

By State Fire Marshal.

	Fireworks		Explosives	
Fiscal Year	**Collections ($)**	**% Change**	**Collections ($)**	**% Change**
2007-08	276,904	0.54	138,600	(1.88)
2006-07	275,430	(6.32)	141,258	(17.49)

	Fireworks		Explosives	
Fiscal Year	**Collections ($)**	**% Change**	**Collections ($)**	**% Change**
2005-06	294,000	10.19	171,200	13.98
2004-05	266,803	5.27	150,200	(8.02)
2003-04	253,450	95.37	163,300	34.51

Source: "Comparative Summary of Revenues by Revenue Source" Report - Comptroller's Office.

EXEMPTIONS:

(1) A distributor's permit is not required for resale of special fireworks (those classified as Class B explosives by the U.S. Department of Transportation) for public display at The Alabama June Jam.

(2) Public displays of fireworks in accordance with regulations governed by Bureau of Alcohol Tobacco and Firearms.

(3) U.S. and state military or naval forces or peace officers.

(4) Section 8-17-220 lists items that are not to be considered "fireworks" for permitting purposes including model rockets, certain toy pistol caps, emergency flares, and blank cartridges.

(5) Sections 8-17-254 and 8-17-242(b) list exceptions to explosives certification and licensing requirements, including surface coal mining operations and public utilities.

DISTRIBUTION:

Fire Marshal Revolving Fund, except municipal explosives use permit which is retained by the municipality.

LEGISLATIVE HISTORY:

Acts 1981, No. 409, p. 638

Established fireworks permit fees at following rates:

Manufacturer	$750
Distributor	$750
Wholesaler	$250
Retailer	$25
Display	$1

Provided for deposit of permit fees to Fire Marshal Fund.

Acts 1987, No. 563, p. 876

Increased fireworks permit fees to following rates:

Manufacturer	$1,000
Distributor	$1,000

Wholesaler	$350
Retailer	$100
Seasonal Retailer	$100
Seasonal Retailer after July 10	$50
Display	$25

Acts 1993, No. 713, p. 1390

Alabama Explosives Safety Act of 1993. Established explosives certification and blasting contractor license fees at following rates and provided for deposit of those fees to Fire Marshal Fund.

Certification	$50
Blasting Contractor License	$1,000

Acts 2003, No. 378, p. 1068

Increased fireworks permit fees and explosives certification and blasting contractor license fees to current rates; and established fee at current rates for use of pyrotechnics before a proximate audience.

COMPARISON WITH NEIGHBORING STATES:

Florida

Fireworks permits are as follows: manufacturer, $1,000; distributor, $1,000; wholesaler, $1,000; retailer, $15 per location; seasonal retailer, $200. Explosives fees are as follows: manufacturer and distributor, $650; dealer, $450; user of explosives license, $125; explosives/blasters permit, $50. All fees are annual.

Georgia

Georgia provides for a fireworks manufacturer's license fee of $1,000. Fireworks display permits may be issued by county probate judges at varying fees. Annual explosives permit fees are $50 for up to 500 lbs. of explosives and $100 if more than 500 lbs.; manufacturing fee for explosives, $100; plan review fee of $100 for explosive storage of more than 500 lbs.

Mississippi

The State Fire Marshal does not license wholesalers or retail dealers that disburse fireworks. Local county and municipalities handle regulations and the local permit fees vary. Persons bringing certain specified explosives into the state must report his/her identity, destination and provide an inventory to the sheriff of the county of original entry and pay a $3 registration fee.

Tennessee

Annual fireworks permit fees are as follows: manufacturer, $1,000; distributor, $1,000; wholesaler, $1,000; annual retailer, $1,000; seasonal retailer (valid for two 2-week seasonal periods), $100; display, $50/day. Annual explosives fees are as follows: firm (company), $150; blaster, $120; handler, $30; limited blaster, $75.

FOREST PRODUCTS SEVERANCE TAX

STATUTORY AUTHORITY:

Sections 9-13-80 through 9-13-108 Code of Alabama 1975, as amended.

TAX BASE:

Tax on the severing of timber or any other forest product from the soil for sale, profit or commercial use and on every processor or manufacturer (in-state or out-of-state) using such forest products.

TAX RATE:

Pine Lumber	$.50/1000' board measure
Pine Logs	$.75/1000' log scale (Doyle rule) or $0.10 per ton
Hardwood Lumber	$.30/1000' board measure
Hardwood Logs	$.50/1000' log scale (Doyle rule) or $0.065 per ton
Pulpwood, chemical wood, bolts	$.25/cord of 128 cubic feet or $0.10 per ton
Crossties	$.015/piece or $0.15 per ton
Switch ties	$.025/piece or $0.17 per ton
Mine ties & coal mine props	$.125/100 pieces or $0.15 per ton
Pine ore mine props	$.75/1000' log scale (Doyle rule) or $3.125/1000' lineal or $0.15 per ton
Hardwood ore mine props	$.50/1000' log scale (Doyle rule) or $3.125/1000' lineal or $0.15 per ton
Piling & Poles	$1.875/1000 board feet (Doyle scale) or $0.205 per ton
Turpentine (crude gum)	$.15/400 pound barrel
Stumpwood (tarwood)	$.125/ton
Pulpwood chips	$.25/190 cubic feet or $0.10 per ton

There is also a privilege tax of 50% of the severance tax above against processors of forest products and manufacturers using forest products.

COLLECTIONS:

By the Department of Revenue, remitted to state treasury quarterly.

Fiscal Year	Collections ($)	Percent Change
2007-08	5,409,662	0.30
2006-07	5,393,708	(2.08)

Fiscal Year	Collections ($)	Percent Change
2005-06	5,508,191	(1.47)
2004-05	5,590,550	0.14
2003-04	5,582,826	(4.70)

Source: Department of Revenue's "Revenue Abstract."

MAJOR EXEMPTIONS:

Individual owners who occasionally sever timber from their own premises for the construction or repair of their own buildings, home consumption, or use in processing their farm products.

DISTRIBUTION:

After cost of collection is deducted, proceeds are deposited into the Special State Forestry Fund. Not less than 85% must be expended for forest protection and no portion of the Fund reverts to the State General Fund at the end of any fiscal year.

LEGISLATIVE HISTORY:

Acts 1945, No. 169, p. 285

Established forest products severance tax (see act for various rates).

Acts 1967, No. 763, p. 1619

Increased the tax rates as follows: $.30 per 1000' for pine lumber sold as logs; $.12 per 1000' for hardwood and others; $.10 per cord for pulpwood.

Acts 1973, No. 500, p. 738

Levied a privilege tax against the processor or manufacturer of forest products in the amount of 50% of the tax on the severer.

Acts 1985, No. 700, p. 1141

Increased the tax rates (see act for various rates).

Acts 1988, 1st Ex. Sess., No. 842, p. 315

Increased forest products severance tax rates to present rates; and prohibited the levy of any local tax on severing, processing or manufacturing of forest products.

Acts 1993, 1st Ex. Sess., No. 888, p. 158

Provided the option to pay forest products severance tax based on either volume (existing law) or weight (new law).

COMPARISON WITH NEIGHBORING STATES:

Florida, Georgia and Tennessee

No comparable tax.

Mississippi

Timber severance tax of $1 per 1000 board feet, or $.12 per ton for pine and soft woods; $.75 per 1000 board feet, or $.08 per ton for hardwoods; $.225 per cord for pulpwood, except pine; $.30 per cord of pine pulpwood; $.75 per 1000 board feet for lumber including crossties; $.30 per barrel of 400 lbs. for turpentine crude gum; $3.60 per 100 cubic feet for poles, piling, posts, stanchions and the like; $.25 per ton for stumpwood, lightwood or other distillate; and $.75 per 1000 board feet or $.375 per standard cord for all other timber products. For timber products purchased by cubic feet, other than poles, piling, posts and stanchions, $.55 per 100 cubic feet for pine or soft woods; and $.41 per 100 cubic feet for hardwoods.

FREIGHT LINE EQUIPMENT COMPANIES TAX

STATUTORY AUTHORITY:

Section 40-21-52 Code of Alabama 1975, as amended, as limited by the federal Railroad Revitalization and Regulatory Reform Act.

TAX BASE:

Privilege tax on any person or firm operating, renting or leasing railroad cars for transportation of freight.

TAX RATE:

3.5% of 20% of the market value of the average number of cars within the state for the preceding fiscal year.

COLLECTIONS:

By the Department of Revenue; company reports are filed each March 1, and payments are due within 30 days of prescribed date.

Fiscal Year	Collections ($)	Percent Change
2007-08	3,299,488	9.58
2006-07	3,011,073	8.87
2005-06	2,765,834	0.52
2004-05	2,751,506	4.77
2003-04	2,626,284	(6.29)

Source: Department of Revenue's "Revenue Abstract."

DISTRIBUTION:

All proceeds are deposited into the State General Fund.

LEGISLATIVE HISTORY:

Acts 1935, No. 194, p. 256

Established tax at 2% of 60% of the value of the average number of cars.

Acts 1971, No. 1413, p. 2408

Changed the tax rate to 3.5% of 30% of the value of the average number of railroad cars.

Public Law 94-210, 90 Stat. 54, February 5, 1976

Limited the assessment rate of railroad transportation equipment, for purposes of state and local taxation, to the rate that applied to all other commercial and industrial property, and thereby reduced the assessment rate of the freight line equipment tax to 20% (current rate).

COMPARISON WITH NEIGHBORING STATES:

Florida

Department of Revenue determines the assessed value of the average number of cars in Florida and certifies the same to the local taxing jurisdiction based on the number of track miles in the jurisdiction. The local taxing jurisdiction then applies the appropriate millage and bills the railroad and private car lines.

Georgia

Railroad equipment company cars are taxed at the regular rate imposed upon property in the state on a valuation based on the proportion to the entire value of the cars that the car-wheel mileage made in Georgia bears to the entire car-wheel mileage of cars in the country. Additionally, cars are taxed at the regular rate imposed upon property in each local taxing jurisdiction on a valuation based on the proportion to the entire value of the cars that the track mileage in the local taxing jurisdiction bears to the entire track mileage of the state.

Mississippi

No comparable tax based on number of cars.

Tennessee

No comparable tax based on number of cars. The Tennessee Comptroller of the Treasury assesses railroads' equipment and property at 40% of value for real property and 30% for personal property. The local taxing jurisdiction then applies the appropriate tax rate.

GASOLINE TAX (AND GASOLINE PORTION OF THE MOTOR CARRIER FUEL TAX)

CONSTITUTIONAL PROVISIONS:

Amendment No. 93 to the Constitution of Alabama of 1901, as amended by Amendment No. 354, now appearing as Section 111.06 of the Official Recompilation of the Constitution of Alabama of 1901, as amended

Amendment No. 93 (proclaimed ratified November 19, 1952) provided that no monies derived from any fee, excise or license tax, levied by the state, relating to (1) registration, operation, or use of vehicles or (2) fuels used for propelling vehicles except pump taxes shall be expended for any purpose other than costs of construction, reconstruction, maintenance and repair of public highways and bridges, costs of highway rights of way, payment of highway obligations, the cost of traffic regulation, and the expense of enforcing state traffic and motor vehicle laws. Amendment No. 354 (proclaimed ratified November 10, 1976) expanded upon Amendment No. 93 to allow for the distribution of proceeds from charges for personalized license plates or tags in any manner prescribed by the Legislature.

NOTE: The above restriction does not apply to fees and taxes levied by counties and municipalities pursuant to authority granted by the state.

STATUTORY AUTHORITY:

Sections 40-17-30 through 40-17-82, 40-17-120 through 40-17-125, 40-17-220 through 40-17-225, 40-17-240, 40-17-250, and 40-17-300 through 40-17-308 (Gasoline Tax); and Sections 40-17-140 through 40-17-155 (Motor Carrier Fuel Tax) Code of Alabama 1975, as amended.

TAX BASE:

Excise tax on the sale, consumption, distribution, storage or withdrawal from storage of gasoline (Gasoline Tax). Excise tax upon motor carriers who operate or cause to be operated motor vehicles on any highway in Alabama (Motor Carrier Fuel Tax).

TAX RATE:

The State of Alabama collects three levies, of $.07, $.05 and $.04, for a total of $.16 per gallon. (See also AGRICULTURAL FEES-Petroleum Commodities Inspection.) Excise tax on motor carrier fuel is at the same rate as in effect for gasoline.

NOTE REGARDING LOCAL RATES:

Counties may levy a county gasoline tax if the legislature has passed a local act authorizing the county commission to do so. The local act usually sets the parameters of the tax and specifies use of the funds. The local act may provide for a credit of municipal gas taxes paid within that county against the county tax owed or may exempt payment of a portion of the county tax in municipalities which levy a gasoline tax.

Municipalities may levy a municipal gasoline tax by city ordinance. One-half of the amount levied in the municipality may be levied in the police jurisdiction. The ability of municipalities to levy a city gasoline tax may be limited by a legislative act which levies a county gasoline tax - i.e., cities within the county may be prohibited from levying a municipal gasoline tax, but be given a share of the county tax.

COLLECTIONS:

By the Department of Revenue on the 20th of each month (gasoline tax), and before the last day of April, July, October and January (motor carrier fuel tax).

Fiscal Year	$.07	$.04	$.05	Total*	% Change
2007-08	176,726,123	100,986,041	126,232,551	403,944,715	(2.00)
2006-07	180,324,149	103,042,237	128,802,797	412,169,183	1.15
2005-06	178,282,711	101,875,465	127,344,331	407,502,507	(0.74)
2004-05	179,602,804	102,629,974	128,287,103	410,519,881	1.23
2003-04	177,167,050	101,812,820	126,548,684	405,528,554	2.56

*The figures are net (after deduction of refunds). Figures shown are prior to deduction of Department of Revenue administrative expenses. Includes gasoline excise taxes and gasoline portion of the motor carrier fuel taxes.

Source: State of Alabama, Department of Revenue, Motor Fuels Section.

MAJOR EXEMPTIONS:

(1) From the $.07, the $.04 and the $.05 Gasoline Taxes:

- (a) Agencies of the U.S. Government, supported by Standard Form 1094.
- (b) Private and parochial schools and city and county boards of education.
- (c) Class I municipalities (Birmingham).
- (d) Class II municipalities (Mobile).
- (e) Alabama Institute for Deaf and Blind.
- (f) Department of Youth Services School District.

(g) Gasoline used to propel aircraft.

(h) Gasoline used for agricultural purposes.

(2) From the $.07 Gasoline Tax:

(a) National Guard canteens supported by state issued certificates.

(b) Certain charitable and civic organizations named in Sections 40-9-9 through 40-9-13 Code of Alabama 1975, as amended.

(c) Farmers receive a $.06 per gallon refund on gasoline purchased for agricultural use.

(d) Purchasers of gasoline used in static and fixed testing of engines manufactured or remanufactured in state receive a $.065 per gallon refund.

(3) From the $.04 Gasoline Tax:

(a) All off-road vehicles currently not requiring state licensing.

(b) Gasoline used for agricultural purposes.

(c) Gasoline sold to governing bodies of counties and incorporated municipalities.

(d) Gasoline used to propel ships, vessels, barges, railroad locomotives and other railroad equipment.

(4) From the $.05 Gasoline Tax:

(a) Farmers receive a $.05 per gallon refund on gasoline purchased for agricultural use.

(b) Purchasers of gasoline used in static and fixed testing of engines manufactured or remanufactured in state receive a $.045 per gallon refund.

(5) From the Motor Carrier Fuel Tax:

(a) Any department, board, bureau, commission or taxing area or other agency of the federal government, of the State of Alabama or any political subdivision thereof.

(b) Any school bus operated by the State of Alabama, any political subdivision thereof, or any private or privately operated school or schools.

DISTRIBUTION:

A total of 1.23% of the $.07 and $.05 per gallon levies is distributed to the Department of Conservation and allocated as follows:

(1) 35% of 1% is allocated on a 60/40 basis to the State Water Safety Fund of the Marine Police Division and the Seafood Fund of the Marine Resources Division, respectively.

(2) 70% of 1% is allocated to the Game and Fish Fund of the Division of Wildlife and Freshwater Fisheries.

(3) An additional 18% of 1% is allocated on a 60/40 basis to the State Water Safety Fund of the Marine Police Division and the Seafood Fund of the Marine Resources Division, respectively.

Note: The allocations in (2) and (3) come from the gasoline tax receipts allocated to the Public Road & Bridge Fund.

(4) The remaining proceeds from the $.07 per gallon levy, the entire proceeds from the $.04 per gallon levy and 40% of the remaining proceeds from the $.05 per gallon levy are distributed: 45% to the Department of Transportation's Public Road & Bridge Fund; 55% to the 67 counties and the municipal governing bodies located therein. Of the 55%, 45.4545% is distributed equally among all 67 counties and 54.5454% is distributed among all 67 counties on basis of population. Per Sections 40-17-74, 40-17-74.1 and 40-17-223 of the Code 10% of each county's portion of the tax proceeds are shared with the municipal governing bodies located therein on the ratio of the population of each municipality to the total population of all municipalities in the county unless otherwise provided by legislative act.

(5) 60% of the net proceeds from the $.05 per gallon levy are distributed to the Public Road & Bridge Fund. Of that amount, $1 million was designated in FY 1992 and $500,000 each fiscal year thereafter to be used for the construction, maintenance and repair of public roads in the state parks system.

LEGISLATIVE HISTORY:

Acts 1923, No. 62, p. 36

Established the excise tax on gasoline at $.02 per gallon.

Acts 1927, No. 340, p. 326

Increased tax to $.04 per gallon.

Acts 1931, No. 743, p. 859

Increased tax to $.05 per gallon.

Acts 1932, No. 324, p. 314

Increased tax to $.06 per gallon.

Acts 1955, 1st Ex. Sess., No. 44, p. 73

Increased tax to $.07 per gallon.

Acts 1961, No. 674, p. 925

Provided further for the taxation of gasoline and/or motor fuel sold to or withdrawn from storage or used in the state by motor carriers by establishing a separate excise tax on motor carrier fuel.

Acts 1980, No. 427, p. 590

Levied an additional excise tax of $.04 per gallon on gasoline, motor fuel and lubricating oil.

Acts 1987, No. 675, p. 1205

Authorized municipalities to use proceeds from the $.04 tax on gasoline, motor fuel and lubricating oil for new road construction.

Acts 1992, No. 203, p. 486

Levied an additional excise tax of $.05 per gallon on gasoline and provided for its distribution. Proportionately increased refund on gasoline for agricultural use and static testing of engines.

Acts 2000, No. 736, p. 1608

Provided additional allocations from the gross $.07 and $.05 receipts of 70% of 1% to the Game and Fish Fund and 18% of 1% (60% to State Water Safety Fund and 40% to Seafood Fund.) These allocations are deducted from the portion of gasoline tax revenues otherwise targeted to the Public Road & Bridge Fund.

COMPARISON WITH NEIGHBORING STATES:

Florida

Excise tax on gasoline of $.04 per gallon. An additional fuel sales tax is levied at a rate adjusted annually based on the change in the Consumer Price Index. The additional rate cannot be less than $.069 per gallon. Effective January 1, 2006, the total rate is $.149 per gallon. In addition, gasoline is subject to the 6% sales tax. The motor carrier tax is at a rate that includes the motor and special fuel tax rates; the state comprehensive enhanced transportation system tax rate; the sales tax rate; and the minimum local special fuels rates.

Georgia

Excise tax on gasoline of $.075 per gallon plus an additional total sales tax of 4% (3% special levy and 1% of the 4% general sales tax). The motor carrier fuel rate is equivalent to the taxes imposed by the motor fuels tax.

Mississippi

Excise tax on gasoline of $.144 per gallon. The motor carrier privilege tax is imposed at the prevailing excise tax rates for motor fuels.

Tennessee

Privilege tax on gasoline of $.20 per gallon plus a $.01 per gallon special tax.

HOSPITAL AND HEALTH CARE FACILITY REVIEW OF PLANS AND INSPECTION FEE

STATUTORY AUTHORITY:

Sections 22-21-40 through 22-21-46 Code of Alabama 1975, as amended.

TAX BASE:

A review and inspection fee for new construction, additions or alterations of hospitals or health care facilities as defined in Section 22-21-20 and rules of the State Board of Health.

TAX RATE:

Initial fee of $500, to be paid upon submission of the first drawing for each project. Upon written approval of the final stage drawings, 75% of the estimated fee, less the initial $500 payment, shall be paid. The estimated fee is based on the architect's estimated cost of construction, at the following rates:

Construction Cost	Fee (% of construction cost)
Up to $100,000	Greater of $500 or 1.2%
$100,000 - $1,000,000	Greater of $1,200 or 0.5%
$1,000,001 - $5,000,000	Greater of $5,000 or 0.2%
$5,000,001 - $15,000,000	Greater of $10,000 or 0.1%
Over $15,000,000	$15,000

At the final building inspection, the remainder of the fee, based on the actual cost of construction, is due. If more than four plan reviews and one final inspection visit are required an additional fee, equal to 15% of the total fee above, shall be paid for each additional submittal or inspection.

COLLECTIONS:

By the State Board of Health.

Fiscal Year	Collections ($)	Percent Change
2007-08	542,900	(0.81)
2006-07	547,353	7.65
2005-06	508,463	18.13
2004-05	430,437	(2.81)

Source: "Comparative Summary of Revenues by Fund" Report - Comptroller's Office.

MAJOR EXEMPTIONS:

Alabama Department of Mental Health and Mental Retardation, facilities operated by the federal government, local health departments and private offices of physicians and dentists.

DISTRIBUTION:

To the Department of Public Health Plan Review Fund.

LEGISLATIVE HISTORY:

Acts 2000, No. 686, p. 1393

Established the review and inspection fees at the current rate and the Department of Public Health Plan Review Fund.

COMPARISON WITH NEIGHBORING STATES:

Florida

An initial fee of $2,000 for review of plans and construction on all health care facility projects, no part of which is refundable. In addition, the state may collect a fee not to exceed 1% of the estimated construction cost or the actual cost of review whichever is less, for the portion of the review which encompasses initial review through initial construction document review. The state may also collect its actual cost on all subsequent reviews and construction inspections.

Georgia, Mississippi and Tennessee

No comparable fee identified.

HOSPITAL AND NURSING HOME LICENSE FEES

STATUTORY AUTHORITY:

Sections 22-21-20 through 22-21-33 Code of Alabama 1975, as amended.

TAX BASE:

A license fee imposed on those operating a hospital as defined in Section 22-21-20 of the Code, including long term care facilities, hospices, domiciliary care facilities, abortion or reproductive health centers, independent clinical laboratories, assisted living facilities, and other health care institutions.

TAX RATE:

For a hospital other than an assisted living facility or specialty care assisted living facility the initial fee is $200, plus $5 per bed for each bed over 10 beds. Increase in a hospital's bed capacity during the calendar year is assessed at the standard fee of $200 plus $5 each for the net gain in beds. For an assisted living facility or specialty care assisted living facility the initial fee is $200, plus $15 for each bed. All licenses expire December 31.

COLLECTIONS:

By the State Board of Health.

Fiscal Year	Collections ($)	Percent Change
2007-08	669,101	(10.19)
2006-07	745,045	3.20
2005-06	721,917	3.86
2004-05	695,076	(1.57)
2003-04	706,153	(3.19)

Source: "Comparative Summary of Revenues by Revenue Source" Report - Comptroller's Office.

MAJOR EXEMPTIONS:

Hospitals operated by the federal government, mental hospitals under the supervision of the board of trustees of the Alabama state hospitals, local health departments and private offices of physicians and dentists.

DISTRIBUTION:

To the State Board of Health for expenditure by the State Department of Public Health for the operation of the hospital licensure and regulation program.

LEGISLATIVE HISTORY:

Acts 1949, No. 530, p. 835

Established the regulation and licensure of hospitals and other health care facilities by the State Board of Health. Licensure fee set at $30 for facilities having less than 50 beds and $50 if more than 50 beds; provided that the operation of a hospital without a license is a misdemeanor; and provided the penalties and fines associated with this act.

Acts 1962, Ex. Sess., No. 122, p. 157

Included domiciliary institutions and other health care institutions in definition of "hospital" for purposes of this tax.

Acts 1975, 3rd Ex. Sess., No. 140, p. 382

Further defined "hospital" for purposes of this tax and set fee for licensure at $60 plus $1 per bed plus an additional $60 fee plus $1 each for the net gain in beds during the calendar year.

Acts 1980, No. 642, p. 1213

Application fee set at $100 plus $3 per bed plus an additional $100 fee plus $3 each for the net gain in beds during the calendar year.

Acts 1988, 1st Ex. Sess., No. 902, p. 470

Application fee set at $200 plus $5 per bed plus a $200 fee plus $5 each for the net gain in beds during the calendar year.

Acts 1991, No. 548, p. 1010

Included hospices in definition of “hospital” for purposes of this tax.

Acts 2001, 4th Ex. Sess., No. 1058, p. 1044

Provided further for licensing and regulation of assisted living facilities; provided for license fees (for an assisted living facility at $200 plus $15 for each bed) and penalties of $250 or 100% of the renewal fee whichever is greater for failure to renew licenses of assisted living facilities at current rates.

COMPARISON WITH NEIGHBORING STATES:

Florida

(1) Hospitals - License fee - $31 per bed; the minimum fee is $1,542.

(2) Nursing Homes – Biennial license fee required of a facility is $50 per license with an additional fee of $56.25 per resident based on the total licensed resident capacity of the facility plus $.25 for Resident Protection Fund and $600 for data collection and analysis assessment.

(3) Assisted Living Facility - $356 application fee plus $59 per bed fee. In addition each licensed facility must pay a biennial fee of $501 for extended congregate care services plus $10 per resident based on total licensed resident capacity of the facility and $296 limited nursing service application fee and a $10 per bed fee on total resident capacity.

(4) Home Health Agency - License fee - $1,660 plus $43.25 for FBI background screening.

(5) Companion/Homemaker Services - Registration fee - $50 plus $43.25 for FBI background screening.

(6) Adult Day Care Center - License fee – $159.

(7) Hospice - License fee - $600.

(8) Health Care Clinic Licensure - $2,000

Georgia

No comparable tax.

Mississippi

Annual fees are as follows: hospitals, $20 per bed at a minimum of $500 and a maximum of $5,000; Home Health Agencies, $1,000; ambulatory surgical facilities, $3,000; birthing centers, $3,000; nursing homes, $20 per bed at a minimum of $200; abortion clinics, $3,000; Hospices, $1,000 per location; personal care homes, $15 per bed at a minimum of $100.

Tennessee

(1) Hospitals, nursing homes, assisted-care living facilities, residential hospice and HIV supportive living facility.

Bed Capacity	Annual Fee
Less than 25	$800
25 through 49	$1,000
50 through 74	$1,200
75 through 99	$1,400
100 through 124	$1,600
125 through 149	$1,800
150 through 174	$2,000
175 through 199	$2,200

Facilities with 200 beds or more pay a flat rate of $2,400 + $200 for each additional 25 beds or fraction thereof.

(2) Ambulatory surgical treatment centers, home health agencies, birthing centers, hospice agencies, end stage renal disease facilities, outpatient diagnostic centers, and prescribed child care centers - $1,080.

(3) Residential homes for aged.

Bed Capacity	Annual Fee
4 through 5	$300
6 through 24	$800
25 through 49	$1,000
50 through 74	$1,200
75 through 99	$1,400
100 through 124	$1,600
125 through 149	$1,800
150 through 174	$2,000
175 through 199	$2,000

Facilities with 200 beds or more pay a flat rate of $2,400 + $200 for each additional 25 beds or fraction thereof.

(4) Professional Support Services is $270 if one of the following apply:

(a) The facility is licensed by the Department of Mental Health and Developmental Disabilities.

(b) Applicant is a therapist who is licensed as an occupational and/or physical therapist or as a communication disorder specialist.

(c) Applicant is a home care organization owned or controlled by another home care organization. The fee is $1,080 for a home care organization authorized to provide professional support services only.

HYDROELECTRIC KILOWATT HOUR TAX

STATUTORY AUTHORITY:

Sections 40-1-31 and 40-21-56 Code of Alabama 1975, as amended.

TAX BASE:

Privilege tax levied on each person, firm, corporation, agent or officer engaged in the manufacture and sale of hydroelectric power within Alabama.

TAX RATE:

2/5 mill (.04%) per kilowatt-hour of hydroelectric power manufactured and sold during the preceding calendar year.

COLLECTIONS:

By the Department of Revenue; payable in advance, due on or before September 25, based on power manufactured and sold during the preceding calendar year.

Fiscal Year	Collections ($)	Percent Change
2007-08*	5,203	(99.47)
2006-07	976,897	(63.61)
2005-06*	2,684,884	57.39
2004-05*	1,705,832	187.14
2003-04*	9,067	(99.25)

*Gross collections (prior to deduction of cost of collection). FY 2004 excludes $1,705,832 in FY 2004 receipts which were not deposited until FY 2005. FY 2005 excludes $1,338,112 in FY 2005 receipts which were not deposited until October 2006. Receipts for FY 2006 were $1,346,771 for a grand total of $2,684,884. FY 2008 excludes $437,125 in receipts that were not deposited until FY 2009.

Source: Department of Revenue's "Revenue Abstract."

DISTRIBUTION:

After deducting the cost of collection, 42% is deposited into the Education Trust Fund and 58% is deposited into the Special Mental Health Fund.

LEGISLATIVE HISTORY:

Acts 1935, No. 194, p. 256

Established present tax rate of 2/5 mill per kilowatt-hour and provided that it be distributed to the Special Educational Trust Fund.

Acts 1957, No. 551, p. 772

Changed due date from October 1 to September 25 of each year.

Acts 1971, No. 1414, p. 2410

Changed distribution of tax from Special Educational Trust Fund to present distribution.

COMPARISON WITH NEIGHBORING STATES:

Florida, Georgia, Mississippi and Tennessee

No comparable tax. See UTILITY TAXES.

ILLEGAL DRUG TAX

STATUTORY AUTHORITY:

Sections 40-17A-1 through 40-17A-16 Code of Alabama 1975, as amended.

TAX BASE:

Excise tax on illegal possession, distribution, sale, importation, transfer or use of marijuana or other controlled substance(s).

TAX RATE:

Each gram of marijuana, or each portion thereof - $3.50; each gram of controlled substance, or each portion thereof - $200; each 50 dosage units of a controlled substance not sold by weight, or portion thereof - $2,000. Penalty for nonpayment is 100% of the tax plus the tax imposed.

COLLECTIONS:

Stamps are to be purchased immediately from the Department of Revenue when a dealer purchases, acquires, transports or imports into Alabama the illegal drug. The Department may make a jeopardy assessment or collection of the taxes due.

Fiscal Year	Collections ($)	Percent Change
2007-08	735	110.00
2006-07	350	(112.65)
2005-06	(2,767)	(364.68)
2004-05	1,046	(83.91)
2003-04	6,500	15.67

Source: "Comparative Summary of Revenues by Revenue Source" Report – Comptroller's Office.

MAJOR EXEMPTIONS:

Persons registered to manufacture, distribute, or dispense controlled substances or persons otherwise lawfully in possession of marijuana or a controlled substance.

DISTRIBUTION:

After deduction of administrative and enforcement expenses, all proceeds received or collected are deposited into the State General Fund.

LEGISLATIVE HISTORY:

Acts 1988, 1st Ex. Sess., No. 785, p. 218

Established the tax at the current rates and provided for the distribution of proceeds.

COMPARISON WITH NEIGHBORING STATES:

Florida and Mississippi

No comparable tax.

Georgia

Marijuana and controlled substances used, possessed, consumed, stored or transferred in the state are subject to a tax equal to $3.50 on each gram, or portion thereof, of marijuana, and $200 per gram, or portion thereof, of a controlled substance. The tax on each ten dosage units, or portion thereof, of a substance that is not sold by weight is $400.

Tennessee

An excise tax is levied on unauthorized substances possessed, either actually or constructively, by dealers at the following rates:

(1) Forty cents ($.40) for each gram, or fraction thereof, of harvested marijuana stems and stalks that have been separated from and are not mixed with any other parts of the marijuana plant.

(2) Three dollars and fifty cents ($3.50) for each gram, or fraction thereof, of marijuana, other than separated stems and stalks taxed under (1) above or (3) below.

(3) Three hundred fifty ($350) per plant, whether growing or detached from the soil, on each marijuana plant with foliation.

(4) Fifty dollars ($50) for each gram, or fraction thereof, of cocaine.

(5) Two hundred dollars ($200) for each gram, or fraction thereof, of any other controlled substance or low-street-value drug that is sold by weight.

(6) Fifty dollars ($50) for each ten dosage units, or fraction thereof, of any low-street-value drug that is not sold by weight.

(7) Two hundred dollars ($200) for each ten dosage units, or fraction thereof, of any other controlled substance that is not sold by weight.

INCOME TAX

CONSTITUTIONAL PROVISIONS:

Amendment No. 25 to the Constitution of Alabama of 1901, now appearing as Section 211.01 of the Official Recompilation of the Constitution of Alabama of 1901, as amended (proclaimed ratified August 2, 1933)

Authorized the Legislature to levy and collect taxes on net income at a rate not to exceed 5% (3% on corporations). Provided minimum exemptions from net income of $1,500 for single taxpayers, $3,000 for married couples and $300 per dependent under age 18.

Amendment No. 61 to the Constitution of Alabama of 1901, now appearing as Section 211.02 of the Official Recompilation of the Constitution of Alabama of 1901, as amended (proclaimed ratified September 11, 1947)

Provided for distribution of income tax receipts to (1) replace revenue lost to the funds affected by the state homestead exemption; and (2) the Education Trust Fund to be used only for the payment of public school teachers' salaries.

Amendment No. 212 to the Constitution of Alabama of 1901, now appearing as Section 211.03 of the Official Recompilation of the Constitution of Alabama of 1901, as amended (proclaimed ratified December 18, 1963)

Increased allowable maximum corporate income tax rate to 5%, with deduction allowed for all federal income taxes paid. Taxes due by foreign corporations are to be based on income derived from sources within Alabama. (Further amended by Amendment No. 662.)

Amendment No. 225 to the Constitution of Alabama of 1901, now appearing as Section 211.04 of the Official Recompilation of the Constitution of Alabama of 1901, as amended (proclaimed ratified December 13, 1965)

Provided deduction for federal income taxes paid by individual taxpayers.

Amendment No. 662 to the Constitution of Alabama of 1901, now appearing as Section 211.03 of the Official Recompilation of the Constitution of Alabama of 1901, as amended (proclaimed ratified June 19, 2000)

Increased the corporate income tax rate to 6.5% beginning in calendar year 2001.

STATUTORY AUTHORITY:

Sections 40-2A-1 through 40-2A-18, 40-18-1 through 40-18-250, 40-27-1, 40-27-1.1, 40-29-1 through 40-29-120 and 40-30-1 through 40-30-6 Code of Alabama 1975, as amended.

TAX BASE:

A tax on the entire net income of every individual residing in Alabama, of every nonresident deriving income from within Alabama, and of every corporation domiciled in Alabama or deriving income from sources within Alabama.

TAX RATE:

(1) Single Persons, Head of Family, and Married Persons Filing Separate Returns:

(a) 2% on the first $500 of taxable net income.

(b) 4% on the next $2,500.

(c) 5% on income over $3,000.

(2) Married Persons Filing Joint Return:

(a) 2% on the first $1,000 of taxable net income.

(b) 4% on the next $5,000.

(c) 5% on income over $6,000.

(3) Corporations:

6.5% of taxable income. Corporations that do business in more than one state determine that part of income earned in Alabama by a formula set forth in Section 40-27-1, Code of Alabama 1975.

COLLECTIONS:

By the Department of Revenue.

(1) Individuals: returns are due annually on April 15.

(2) Corporations: the balance of the tax owed after credits for taxes paid through estimates, as provided in Section 40-18-80.1, is due and payable on March 15 following the close of the calendar year or, if on a fiscal year basis, then on the 15th day of the third month following the close of the fiscal year.

Income Tax - Individuals

Year	Gross Collections	Refunds	Net Collections	Percent Change
2007-08	3,608,462,545	530,909,902	3,077,552,643	1.92
2006-07	3,511,759,431	492,249,673	3,019,509,758	9.16
2005-06	3,219,548,603	453,309,442	2,766,239,161	9.06
2004-05	2,954,518,375	417,996,904	2,536,521,471	13.06
2003-04	2,652,646,045	409,108,898	2,243,537,147	10.22

Income Tax - Corporations

Year	Gross Collections	Refunds	Net Collections	Percent Change
2007-08*	554,498,322	51,044,769	503,453,553	10.76
2006-07	509,862,080	55,325,984	454,536,096	(6.12)
2005-06	528,408,663	44,255,591	484,153,072	31.46
2004-05	427,935,249	59,647,139	368,288,110	44.23
2003-04	299,669,782	44,318,076	255,351,706	16.58

*FY 2008 includes approximately $8 million in accelerated receipts that normally would not have been collected until December 2008 (FY 2009).

Source: Department of Revenue's "Revenue Abstract."

MAJOR EXEMPTIONS:

For a complete listing of exemptions, credits and deductions, see Sections 40-18-2.1, 40-18-3, 40-18-14, 40-18-14.1, 40-18-15, 40-18-15.2, 40-18-16, 40-18-19, 40-18-19.1, 40-18-20, 40-18-21, 40-18-32, 40-18-35, 40-18-35.1, 40-18-132, 40-18-136, 40-18-190 through 40-18-203, 40-18-220, and 40-18-240 through 40-18-250 Code of Alabama 1975, as amended.

DISTRIBUTION:

After deducting cost of collection and current year refunds:

(1) That portion of revenues necessary to reimburse the Property Tax Relief Fund for state homestead ad valorem tax exemptions is deposited first into the State General Fund, the State Soldiers' Relief Fund, and the Public School Fund.

(2) The balance is deposited into the Education Trust Fund solely for the payment of public school teachers' salaries.

LEGISLATIVE HISTORY:

Acts 1935, No. 194, p. 256

Established income tax at present rates for individuals and at 3% for corporations.

Acts 1951, No. 208, p. 470

Allowed for an optional standard deduction of 7% or $500, whichever is less.

Acts 1951, No. 842, p. 1473

Provided for appropriation from income tax receipts to the Property Tax Relief Fund to replace revenue losses which result from the homestead exemption.

Acts 1963, 2nd Ex. Sess., No. 104, p. 284

Increased the corporation tax rate to 5% of net income.

Acts 1965, No. 748, p. 1354

Raised the standard deduction to 10% of adjusted gross income or $1,000, whichever is less.

Acts 1979, No. 618, p. 1088

Increased the religious, charitable, scientific or educational deduction allowed to individuals for state income tax purposes from 15% to 20% of the taxpayer's net income.

Acts 1983, No. 741, p. 1214

Required filing and declarations of estimated income tax by corporations. (One-time windfall for Education Trust Fund.)

Acts 1985, No. 515, p. 517

Adopted federal rules on computing gain or loss on gift or trust property; adopted federal rules on itemized deductions in computing an individual net operating loss; removed sales requirement on S corporations; removed the sunset provision for corporate net operating loss; plus other federal law conformity changes.

Acts 1988, No. 952, p. 575

Provided for the withholding of wager winnings at pari-mutuel tracks.

Acts 1988, No. 954, p. 669

Conformed Alabama law to federal income tax law regarding interest deductions from income. Changes phased out deductions for consumer (personal) interest which increased income tax receipts. The resulting net gain to the Education Trust Fund from this act was offset by a percentage diversion of lodgings tax receipts and leasing or rental of tangible property tax receipts from the Education Trust Fund to the State General Fund. (See LODGINGS TAX and LEASING OR RENTING OF TANGIBLE PERSONAL PROPERTY.)

Acts 1990, No. 554, p. 912

Provided a deduction for individuals for certain adoption expenses.

Acts 1990, No. 583, p. 988

Conformed Alabama law to federal income tax law regarding determination of basis, recognition of gain (or loss), inventory methods, accounting methods, items included in gross income and allowable deductions of individuals, certain deductions for corporations and the reporting of gains on the installment basis.

Acts 1990, No. 596, p. 1041

Extended the existing income tax exemptions on firefighters' and peace officers' retirement income to their beneficiaries; exempted all retirement income of firefighters and peace officers and their beneficiaries effective for the taxable year beginning January 1, 1991; exempted retirement income of

U.S. Government retirees, private defined benefit plan beneficiaries (effective January 1, 1991) and military retirees and their beneficiaries (effective January 1, 1989); and clarified the elimination of state and local tax payments as a deduction from state taxable income.

Acts 1991, No. 480, p. 869

Extended the retirement income exemption to all "defined benefit" plans. Prior to this change only "private defined benefit" plans were exempt.

Acts 1993, No. 313, p. 470

Provided an income tax credit of $5,000 for a period not to exceed five consecutive years to qualifying rural physicians.

Acts 1993, 1st Ex. Sess., No. 852, p. 95

Allowed for deductions from taxable income for the amount of any aid or assistance provided to the State Industrial Development Authority in order to induce an approved company to undertake a major project in the state.

Acts 1993, 1st Ex. Sess., No. 907, p. 204

Provided for a tax credit for employers of 20% of the costs of an approved basic skills education program.

Acts 1995, No. 187, p. 250

Repealed tax incentives available to companies through State Industrial Development Authority (Acts 93-851 and 94-370); and provided for a corporate income tax credit to qualified companies that expand or locate in the state. Available for maximum of 20 years.

Acts 1995, No. 239, p. 403

Allowed a credit against corporate income tax for coal produced in the state. ($1 per ton for increased production over previous year's production.)

Acts 1995, No. 591, p. 1251

Amended corporate income tax law to allow foreign corporations the option of classifying dividends from subsidiaries not doing business in the state as either: (1) apportionable business income or (2) nonbusiness income allocable to the state of the corporation's commercial domicile. Applicable only to dividends paid or deemed paid prior to July 31, 1995.

Acts 1995, No. 738, p. 1578

Allowed for an income tax deduction for the amount of premiums paid pursuant to a qualifying insurance contract for qualified long-term care coverage.

Acts 1996, No. 526, p. 683

Provided that private and public deferred compensation plans shall receive same tax deferred treatment for state tax purposes as is allowed for federal tax purposes. (Effective January 1, 1997.)

Acts 1997, No. 446, p. 765

Amended the capital credit (Act 95-187) to allow costs paid by public development authorities to be included in the calculation of capital costs and made other changes to the credit law.

Acts 1997, No. 547, p. 957

Exempted tuition benefits paid from the Prepaid Affordable College Tuition (PACT) Program from state income taxation.

Acts 1997, No. 625, p. 1098

Enactment of numerous changes to the state income tax statutes which conformed Alabama's treatment of partnerships, limited liability companies, sub-chapter S corporations and certain trusts to the treatment allowed for federal income tax purposes; and removed the requirement that individual business owners who do business in more than one state allocate and apportion income in accordance with the multistate compact.

Acts 1997, No. 705, p. 1456

Exempted from state income tax an amount up to $25,000 received as severance, unemployment compensation or termination pay as a result of administrative downsizing.

Acts 1998, No. 468, p. 903

Increased the threshold for filing individual income tax returns (from $1,500 to $1,875 for single filers and from $3,000 to $3,750 for joint filers); and eliminated withholding tax from certain workers who incurred no tax liability in the previous year or expect no liability in the current year.

Acts 1998, No. 502, p. 1083

Enacted numerous changes to state income tax law, many of which conform to federal law including adoption of federal tax treatment of "Roth IRA's" and "Education IRA's." Allowed corporations to elect to file consolidated returns; and increased the threshold for filing individual income tax returns (same as Act 98-468).

Acts 1999, No. 314, p. 423

Clarified pre-existing law relative to the definition of S Corporation; and conformed definition to Federal law.

Acts 1999, No. 664, p. 124

Increased corporate income tax rate to 6.5% beginning January 1, 2001; and enacted several technical changes to conform to federal law and changed depletion allowances allowed for oil and gas wells. Contingent upon ratification of Constitutional Amendment No. 662 (see CONSTITUTIONAL PROVISIONS).

Acts 2000, No. 702, p. 1425

Enacted several technical changes to the state corporate income tax, none of which materially affected corporate income tax receipts. (Further clarified changes made in Acts 99-664.)

Acts 2001, No. 503, p. 886

Created a credit for certain investments in the Alabama State Port Authority infrastructure in new qualifying projects until December 31, 2005, unless the Legislature, by joint resolution, votes to continue the credit after that date.

Acts 2001, 3rd Ex. Sess., No. 965, p. 854

Amended the capital credit program (Acts 95-187 and 97-446) to lower the number of new employees that must be hired and the minimum investment that must be made to qualify for the credit in a favored geographical area as defined by the act.

Acts 2001, 4th Ex. Sess., No. 1088, p. 1095

Disallowed certain intangible and interest expense deductions between related entities; clarified the calculation of the federal income tax deduction and the nonbusiness interest expense deduction for corporations; disallowed net operating loss deductions for corporations for tax years beginning in 2001; conformed estimated payment rules to federal law; clarified that interest accrues on the entire amount of the final assessment; and allowed the Commissioner of Revenue to reallocate tax return items of related entities in certain circumstances.

Acts 2001, 4th Ex. Sess., No. 1089, p. 1113

Limited the use of consolidated returns by corporations; and required corporations that elected to file consolidated returns to accelerate their December 15, 2002 estimated tax payment to September 15, 2002.

Acts 2001, 4th Ex. Sess., No. 1105, p. 1169

Allowed subchapter K entities to make composite payments and returns on behalf of nonresident owners; required composite payments in the event that nonresident owners fail to consent to file returns and pay tax due; and required composite payments for tax years beginning during 2001.

Acts 2001, 4th Ex. Sess., No. 1113, p. 1178

Defined business income for purposes of the Multistate Tax Compact.

Acts 2005, 1st Ex. Sess., No. 269, p. 485

Continued the tax credit authorized by Acts 2001, No. 503 from December 31, 2005 until December 31, 2010.

Acts 2005, 1st Ex. Sess., No. 270, p. 486

Continued the tax credit authorized by Acts 2001, No. 503 from December 31, 2005 until December 31, 2010.

Acts 2006, No. 62, p. 75

Exempted from Alabama income tax all income, interest, dividends, gains, or benefits of any kind received from Alabama Higher Education 529 Fund accounts.

Acts 2006, No. 114, p. 173

"The Subchapter J and Business Trust Conformity Act." Generally, this act conformed Alabama law to the federal income tax rules for the taxation of trusts, estates and their beneficiaries. This act applies to entities taxed under the income tax law as well as entities taxed as financial institutions under the financial institution excise tax law.

Acts 2006, No. 352, p. 927

Increased the individual income tax threshold by increasing the standard deduction for taxpayers with adjusted gross income of $30,000 or less and by increasing the dependent exemption for taxpayers with adjusted gross income of $100,000 or less.

Acts 2006, No. 424, p. 1050

Exempted from Alabama income tax certain death benefit payments made to the designated beneficiary of any peace officer or fireman killed in the line of duty.

Acts 2006, No. 503, p. 1145

Consolidated income tax check-off provisions under Section 40-18-140, Code of Alabama 1975, as amended, and provided for new check-offs for the Alabama Organ Center Donor Awareness Fund and the Alabama National Guard Foundation.

Acts 2008, No. 275, p. 402

Expanded the income tax capital credit program to include credits for companies that produce electricity from alternative energy sources.

Acts 2008, No. 377, p. 691

Allowed a deduction for up to $5,000 of contributions made to the Prepaid Affordable College Tuition program or the Alabama College Education Savings program.

Acts 2008, No. 504, p. 1114

Required income tax withholding on certain sales of real property by nonresidents of Alabama.

Acts 2008, 1st Ex. Sess., No. 543, p. 1175

Disallowed the use of "Captive REITS" to reduce Alabama income tax liability; modified the "add-back" law (Section 40-18-35); provided that these changes are effective January 1, 2007; and required the Department of Revenue to waive any penalties otherwise resulting from this act.

Acts 2008, 1st Ex. Sess., No. 549, p. 1192

Exempted rebates provided by the federal Economic Stimulus Act of 2008 from income tax and decoupled Alabama income tax law from all other provisions of the federal act, including bonus depreciation and additional Section 179 expensing.

Acts 2008, 1st Ex. Sess., No. 559, p. 1282

Allowed a deduction for an additional 50% of the health insurance premiums paid by qualified employers and employees.

COMPARISON WITH NEIGHBORING STATES:

Florida

Corporations, banks and savings associations are taxed at 5.5% of net income. Florida also has an alternative minimum tax provision for corporations, banks and savings associations. No personal income tax is collected.

Georgia

Corporation tax of 6% of net taxable income as defined in the Internal Revenue Code of 1986, with adjustments. In addition, counties and municipalities may levy an additional 1% on income and business done in the taxing subdivision if approved by the voters and if no local sales and use tax is collected. As of the date of publication, no local income taxes are being levied. The personal income tax rates are as follows:

Single Persons:

1% of first $750 of net income	4% of next $1,500
2% of next $1,500	5% of next $1,750
3% of next $1,500	6% of income over $7,000

Married Persons Filing Separately:

1% of first $500 of net income	4% of next $1,000
2% of next $1,000	5% of next $1,500
3% of next $1,000	6% of income over $5,000

Married Persons Filing Jointly and Heads of Households:

1% of first $1,000 of net income	4% of the next $2,000
2% of the next $2,000	5% of the next $3,000
3% of the next $2,000	6% of income over $10,000

Mississippi

Tax rate for corporations and individuals of 3% for the first $5,000 of taxable income, 4% on next $5,000 of taxable income, and 5% on all taxable income in excess of $10,000.

Tennessee

Excise tax of 6.5% of net earnings on all corporations, LLCs, registered limited liability partnerships, cooperatives, joint stock associations, and business trusts; resident individuals, associations, trusts, and estates pay 6% on dividends from stock and interest from bonds, with certain exceptions. The first $1,250 for individuals and the first $2,500 for joint returns is exempt. Persons age 65 or older, having total income (including salaries and wages) of $16,200 or less, or $27,000 or less when one spouse is age 65 or older, are exempt from the payment of income tax. Earned income (salaries and wages) is not subject to the income tax.

INSURANCE COMPANY LICENSES AND PREMIUM TAX

STATUTORY AUTHORITY:

Sections 27-2-39, 27-3-29, 27-4-2 through 27-4-11, 27-4A-1 through 27-4A-7, 27-8A-9, 27-10-31, 27-10-34, 27-10-35, 27-21-4, 27-21A-28, 27-31A-10, 27-34-42, 27-52-3, 27-52-6, 10-4-115, 40-14B-12 through 40-14B-22 and 40-26B-20 Code of Alabama 1975, as amended.

TAX BASE:

A premium tax is imposed on the amount of premiums written by an insurer. A license tax is levied for the privilege of providing insurance within the state. Insurers paying the premium tax are exempt from state income tax but are subject to the Alabama business privilege tax (although they may deduct up to 60% of the privilege tax paid from the premium tax payable and the privilege tax for any taxpayer is capped at $3 million annually).

TAX RATE:

(1) Premium Tax:

(a) Property and casualty insurers: 3.6% of premiums from business done in this state except: (1) property and multi-peril insurance written in fire protection classes 9 and 10 and mobile homes, mobile homeowners, homeowners and low value dwelling policies in a face amount of $40,000 or less are taxed at the rate of 1%; (2) medical liability insurers are taxed at the rate of 1.6%; and (3) the above 3.6% rate is reduced by the following for economic development activities pursued in Alabama:

(i) Insurance Offices Facilities Credit

For each office in Alabama used for insurance operations a credit of up to .01%; total credit not to exceed 1%.

Number of Full Time Employees in Office	Credit as a % of Premiums Taxable
1-3	0.0025%
4-10	0.0050%
11-50	0.0075%
51 or more	0.0100%

(ii) Real Property Investment Credit

For each $1 million of real property investments in Alabama a credit of .1%, up to 1% total credit.

(See 27-4A-3(a)(3)d.2.(i.)-(v.) for methods used to determine real property investments.) For an insurer having affiliates, all premiums of the insurer and its insurance company affiliates subject to tax at the 3.6% rate may be aggregated; all Alabama insurance office facilities and real property investments may be aggregated; and the total allowable tax credits may be determined as if all the aggregated premiums, office facilities and real property investments were owned by one insurer. Allowable credits thus determined may be allocated by the insurer among the insurer and its insurance company affiliates. Economic development credits allowed to foreign insurers are treated as Alabama premium taxes paid by the insurers for purposes of calculating any retaliatory tax due.

(b) Life insurers: 2.3% except: (1) individual life insurance policies in a face amount of greater than $5,000 and up to and including $25,000, excluding group life insurance policies, are taxed at the rate of 1%; (2) individual life insurance policies in a face amount of $5,000 or less, excluding group life insurance policies, are taxed at the rate of .5%; and (3) annuity considerations are not taxed.

(c) Health insurers and accident and health insurance for which a separate premium is charged: 1.6% except: (1) premiums for hospital, medical, surgical or other health care benefits provided pursuant to any employer sponsored plan for groups with less than 50 insured participants are taxed at the rate of .5%; and (2) premiums for insurance benefits supplementary to Medicare and Medicaid are not taxed. Health maintenance organizations are subject to the premium tax paid by health insurers on health insurance.

(d) Surplus line brokers: 6% on direct premiums, less return premiums and sums collected to cover state or federal taxes, on surplus line insurance transacted during the preceding calendar year, computed only on the proportion of premiums allocable to risks or exposures located in Alabama.

(e) Independently procured (i.e., not procured through a surplus line broker) unauthorized insurance, other than life or disability insurance: 4%.

(f) Captive Insurers: tax on insurance premiums collected: .04% on the first $20 million; .03% on the next $20 million and .0075% on each dollar thereafter. Tax on certain assumed reinsurance premiums collected: .225% on the first $20 million; .150% on the next $20 million; .050% on the next $20 million; and .025% on each dollar thereafter. The minimum total premium tax paid by captive insurers will be $5,000 annually.

(g) Premium taxes on premiums paid by a purchasing group, as defined in Section 27-31A-2(10), are at the same rate as that on premiums paid for similar coverage from a similar insurance source by other insureds.

(h) The calculated premium tax for all insurers is subject to credit and deduction of the full amount, with 25% of the full amount allowed at each quarterly premium tax due date, for all of the following:

(i) Ad valorem taxes paid by an insurer on any building and real estate in Alabama which is owned and occupied, in whole or in part, by the insurer for the full period of the tax year as its principal office in Alabama;

(ii) Ad valorem taxes paid by an insurer on any other real estate and improvements thereon in Alabama which is owned and at least 50% occupied by the insurer for the full period of the tax year;

(iii) Ad valorem taxes paid by an insurer on the insurer's offices in Alabama, whether such taxes are paid directly by the insurer or in the form of rent to a third-party landlord;

(iv) All license fees and taxes paid to any county in Alabama during the calendar year for the privilege of engaging in the business of insurance within the county (although a credit allowed for such taxes is irrelevant due to the prohibition against such taxes found in Section 27-4A-5);

(v) All expenses of examination of the insurer by the commissioner;

(vi) 60% of all franchise or business privilege taxes paid by the insurer to the state; and

(vii) All assessments to the Alabama Life and Disability Insurance Guaranty Association, the Alabama Insurance Guaranty Association or assessments for any other guaranty fund or pool now or hereafter created by statute.

(i) Pursuant to Section 27-52-3 insurers participating in the Alabama Health Insurance Plan may offset any premium taxes otherwise payable on health insurance premiums paid to them by the full amount of any assessments paid in the same calendar year as the assessment.

(j) Pursuant to Section 27-21-4 any losses suffered as a result of operation under the Alabama Health Care Plan (in the event such a plan is implemented) may be deducted from premium taxes payable but total loss deduction may not exceed 50% of the tax normally payable.

(k) Pursuant to Section 27-3-29 foreign insurers are subject to retaliatory taxation if home state rates applied to foreign insurers are higher than Alabama's.

(l) Pursuant to Sections 40-14B-12 through 40-14B-20 insurers who invest in certified capital companies, as defined in Section 40-14B-1(4) may deduct from premium taxes payable the amount of the investment, beginning in Calendar Year 2004. The total premium tax credits allowable may not exceed $12.5 million annually or $100 million total for the life of the program.

(m) Pursuant to Section 40-14B-22 insurers who provide venture capital to a certified capital company are allowed additional insurance premium tax credits. The credits issued cannot exceed a total of $100 million for all years in which premium tax credits are allowed. Additionally, the amount of credits issued may not exceed 5% of the certified investor's vested premium tax credit for any tax year until 2014, at which time 17.5% of the vested credit may be taken.

(2) License Tax:

(a) Certificate of authority:

(i) Initial application for original certificate of authority, including the filing with the commissioner of all documents incidental thereto…..…..…….....…$500

(ii) Issuance of original certificate of authority.....…….....….$500

(iii) Annual continuation or renewal fee.....….....……..$500

(iv) Reinstatement fee.....…….$500

(b) Charter documents, filing with the commissioner amendment to articles of incorporation or of association, or of other charter documents or to by-laws.....……..$25

(c) Solicitation permit, filing application and issuance.....……....…..$250

(d) Annual statement of insurer, except when filed as part of application for original certificate of authority, filing.....….....……...$25

(e) Producer licenses (resident or nonresident):

(i) Individuals:

a. Application fee (for filing of initial application for license)…….....……$20

b. License fee (for issuance of original license and each biennial renewal)……..……$40

(ii) Business entities:

a. Application fee (for filing of initial application for license)..……....……..$20

b. License fee (for original license and each biennial renewal)…….$100

(iii) Examination fees (for producer examination or reexamination, each classification of examination)……$50

(f) Producer appointment fee:

(i) Filing notice of appointment….....…...……$30

(ii) Annual continuation of appointment.....….....…..$10

(g) Reinsurance intermediary license:

(i) Filing application for license.....$30

(ii) Issuance of initial license.....$140

(iii) Annual continuation of license.....100

(h) Managing general agent's license:

(i) Application fee (for filing of initial application for license), each insurer.....$30

(ii) Issuance of initial license, each insurer.....$125

(iii) Annual continuation of license, each insurer.....$75

(i) Service representative's license:

(i) Application fee (for filing of initial application for license), each insurer.....$20

(ii) Appointment fee, property and casualty, each insurer (for original appointment, paid by producers).....$30

(iii) Appointment fee (for each annual renewal).....$10

(iv) Application fee (for each biennial renewal).....$40

(j) Surplus line broker:

(i) Application fee (for filing of initial application for license).....$20

(ii) License fee (for original license and each annual renewal):

a. Individual licensees.....$200

b. Business entity licensees.....$500

(k) Adjusters:

(i) Application fee (for filing of initial application for license).....$20

(ii) License (for original license and each biennial renewal).....$80

(l) Captive Insurers:

(i) License application filing fee.....$200

(ii) License fee (initial license and each annual renewal).....$300

(m) Miscellaneous services:

(i) For copies of documents, records on file in insurance department, per page.....$1

(ii) For each certificate of the commissioner under his seal, other than licenses.....$5

(n) The commissioner collects a fee of $50 when, in acting as agent for service of process for any insurance company, fraternal benefit society, mutual aid association, nonresident producer, or nonresident surplus line broker, he or she accepts the service of legal process.

COLLECTIONS:

(1) Collected quarterly, due May 15, August 15, November 15 and March 1. The May payment may be based, at the option of the insurer, on 25% of actual business done in the state during the preceding calendar year or on actual business done in the state by the insurer during the preceding complete quarter. The August payment may be based, at the option of the insurer, on 45% of actual business done in the state during the preceding calendar year or on 180% of actual business done in the state by the insurer during the preceding complete quarter. The November payment may be based, at the option of the insurer, on 25% of actual business done in the state during the preceding calendar year or on actual business done in the state by the insurer during the preceding complete quarter. The March 1 payment reflects any reconciliation between taxes paid and taxes due, said taxes due to be based on actual premiums written during the calendar year preceding the March 1 payment. Surplus line and captive insurance taxes are due on or before March 1. Taxes on independently procured unauthorized insurance are due 90 days after the date the insurance was procured. Company fees are collected by the Alabama Department of Insurance.

Fiscal Year	Collections($)	Percent Change
2007-08	292,820,509	6.21
2006-07	275,694,146	1.27
2005-06	272,229,787	0.26
2004-05	271,515,900	12.97
2003-04	240,334,763	5.15

Source: "Comparative Summary of Revenues by Revenue Source" Report - Comptroller's Office.

The chart below indicates premium tax receipts, by insurance line, for FY 07 and FY 08 prior to refunds.

	FY 2006-07	FY 2007-08
Domestic Life	5,023,130	5,385,288
Domestic P&C	13,271,922	12,744,134
Subtotal (1)	18,295,052	18,129,422
Blue Cross	19,900,000	21,180,000
Subtotal (2)	19,900,000	21,180,000
Foreign Life	39,414,217	53,325,278

	FY 2006-07	FY 2007-08
Foreign Property	53,849,508	55,224,389
Foreign Casualty	109,932,520	113,824,297
Retaliatory	1,860,436	2,654,837
Subtotal (3)	205,056,681	225,028,801
Surplus Lines	32,465,438	28,466,820
Subtotal (4)	32,465,438	28,466,820
Company Fees:		
Applications	20,860	27,640
Amendments	6,650	5,000
Licenses	1,071,950	1,090,215
Statements	33,430	33,505
Motor Clubs	9,435	8,700
Subtotal (5)	1,142,325	1,165,060
GRAND TOTAL	276,859,496	293,970,103

Source: Alabama Department of Insurance.

(2) Producer fees and fees for miscellaneous services are collected by the Alabama Department of Insurance.

Fiscal Year	Collections ($)	Percent Change
2007-08	12,038,533	3.05
2006-07	11,682,032	14.15
2005-06	10,233,934	15.79
2004-05	8,838,439	0.85
2003-04	8,763,547	3.80

Source: "Comparative Summary of Revenues by Revenue Source" Report - Comptroller's Office.

DISTRIBUTION:

(1) Distribution of Insurance Premium Tax:

(a) Education Trust Fund*

(i) 37.5% of premium tax on foreign property insurers.

(ii) 25% of premium tax on foreign casualty insurers.

(iii) 50% of premium tax on domestic life insurers.

(iv) 75% of premium tax on domestic property and casualty insurers.

(v) 100% of premium tax on long-term care coverage.

*See (b)(ix) below.

(b) State General Fund

(i) 100% of premium tax on foreign life insurers.

(ii) 62.5% of premium tax on foreign property insurers.

(iii) 75% of premium tax on foreign casualty insurers.

(iv) 50% of premium tax on domestic life insurers.

(v) 25% of premium tax on domestic property and casualty insurers.

(vi) 100% of premium tax on all health maintenance organizations.

(vii) 100% of premium tax paid by surplus line brokers.

(viii) 50% of retaliatory taxes.

(ix) Any amount which would have been distributed to the Education Trust Fund or the Special Mental Health Fund except for the provisions of Section 27-4A-3(d)(4) (which limits distribution to those funds to the amount so credited during FY 1992-$30,993,296 ETF and $4,525,338 SMHF) will be distributed to the State General Fund.

(c) Special Mental Health Fund*

100% of premium tax on certain non-profit health care corporations organized pursuant to Section 10-4-100.

*See (b)(ix) above.

(d) Insurance Department Fund

50% of retaliatory taxes.

(2) Distribution of company fees, producer fees and fees for miscellaneous services collections is 50% to the Insurance Department Fund and 50% to the State General Fund, except license renewal fees for producer licenses, renewal fees for service representatives' licenses, and certain other fees identified in Section 27-8A-9 related to the providing and obtaining of continuing education, which are deposited to the Insurance Department Fund pursuant to Section 27-8A-9.

MAJOR EXEMPTIONS:

(1) Premium or annuity considerations for health care benefits supplementary to Medicare and Medicaid or provided to an employer-sponsored plan for governmental employees are exempt.

(2) Non-profit life insurers are exempt from paying a premium tax on premiums or annuity considerations from non-profit educational and scientific institutions. In lieu of the tax, such company pays an annual license fee of $5,000.

(3) Premiums collected under the provisions of the Alabama Health Care Plan (in the event such plan is implemented) are exempt.

(4) Annuity considerations are exempt.

(5) Fraternal benefit societies are exempt.

(6) Self-insurance programs utilizing a trust fund or similar entity providing workers' compensation, health, and other insurance-like coverage are exempt.

(7) The Alabama Health Insurance Plan is exempt.

(8) Surplus line wet marine and transportation insurance is exempt.

(9) Premiums collected by counties, municipalities, municipal corporations, political subdivisions of the state; instrumentalities of counties, municipalities, municipal corporations, or the State of Alabama; or corporations or associations owned solely by counties, municipalities or the State of Alabama. This exemption would include premiums collected by the Alabama Municipal Insurance Corporation (AMIC) as it is a mutual insurer owned by member municipalities.

LEGISLATIVE HISTORY:

Acts 1935, No. 194, p. 256

Established an insurance premium tax of $1.50 on each $100 of premiums of foreign fire or marine insurance companies, $2.50 on each $100 of premiums for other foreign insurance companies, and $1 on each $100 of premiums for domestic insurance companies; and established a $200 annual filing fee.

Acts 1945, No. 156, p. 196

Equalized rate of premium tax paid by foreign and domestic insurance companies by increasing the domestic rates.

Acts 1955, 2nd Ex. Sess., No. 77, p. 193

Amended rates as follows: $2.50 on each $100 for foreign life or marine insurance, 1% on annuities and 3% on premiums for other foreign insurance companies, .5% on annuities and premiums of domestic

insurance companies; provided for reduction of tax rates for foreign insurers based on percentage of company's admitted assets invested in Alabama investments; and provided that all premium tax receipts be deposited to the State General Fund.

Acts 1957, No. 598, p. 848

Established agents examination fee of $5. ($3 for re-examination.)

Acts 1963, No. 521, p. 1112

Unauthorized Insurers Act. Provided for licensing of surplus line brokers and tax on surplus line brokers at rate of 4% on the direct premiums, less return premiums and exclusive of sums collected to cover state or federal taxes, on surplus line insurance transacted by the broker during the preceding calendar year; provided that the tax be paid on March 1 each year and deposited to the State General Fund; and exempted surplus line wet marine and transportation insurance and certain other surplus line insurance.

Acts 1969, Ex. Sess., No. 28, p. 74

Increased rates as follows: 4% of premiums for foreign insurance other than life; 1% of annuities and 3% of premiums for foreign life insurance; 1% of annuities and premiums for domestic life; and 2% of premiums on other domestic insurance companies, including certain non-profit health care organizations. Changed distribution to:

(1) Education Trust Fund
   - (a) 37.5% of premium tax on foreign fire, marine and fire and marine insurers.
   - (b) 25% of premium tax on foreign casualty insurers.
   - (c) 50% of premium tax on domestic life insurers.
   - (d) 75% of premium tax on domestic property and casualty insurers.
   - (e) 100% of premium tax on certain non-profit health care organizations.

(2) State General Fund
   - (a) 100% of premium tax on foreign life insurers.
   - (b) 62.5% of premium tax on foreign fire, marine and fire and marine insurers.
   - (c) 75% of premium tax on foreign casualty insurers.
   - (d) 50% of premium tax on domestic life insurers.
   - (e) 25% of premium tax on domestic property and casualty insurers.

Exempted domestic insurers from premium tax on Medicare or Medicaid supplement policies.

Acts 1971, No. 407, p. 707

Provided for retaliatory tax; established company and agents' and brokers' filing, license and miscellaneous fees (and provided they be deposited to the State General Fund); and established wet marine and transportation insurance tax at rate of 0.75% of gross underwriting profit.

Acts 1971, No. 2106, p. 3375

Decreased rate on domestic insurance companies (property and casualty, but not life) and certain non-profit health care organizations to 1% of premiums.

Acts 1971, 2nd Ex. Sess., No. 3, p. 4113

Changed the distribution of premium tax proceeds from certain non-profit corporations (Blue Cross/Blue Shield) from the Education Trust Fund to the Special Mental Health Fund.

Metropolitan Life Insurance Co. v Ward, 105 S.Ct. 1676 (1985)

The U. S. Supreme Court ruled in a 5-4 vote that two of the seventeen purposes the state presented to justify the disparate premium tax rates charged foreign and domestic insurers violated the equal protection clause of the U.S. Constitution. This reversed an Alabama Supreme Court opinion and remanded the case to Montgomery Circuit Court for retrial. The case was dismissed by order of the court dated September 29, 1993.

Acts 1980, No. 774, p. 1608

Authorized the Commissioner of Insurance to examine surplus line brokers in the same manner as an insurer; and allowed surplus line brokers to offset from their insurance premium taxes the cost of such examinations in the same manner allowed for domestic insurers.

Acts 1987, No. 333, p. 466

Changed the due dates for payment of premium taxes from annual to quarterly basis, resulting in receipt of six quarters worth of taxes in FY 1987-88.

Acts 1988, 1st Ex. Sess., No. 875, p. 410

Increased fees for licenses and certificates issued by Insurance Department. (See Insurance Premium Tax (pages 182-184) in January 2003 “A Legislator’s Guide to Alabama’s Taxes.”)

Acts 1993, No. 679, p. 1291

Insurance Premium Tax Reform Act of 1993. Provided for phase-in of equalization of domestic and foreign insurance premium tax rates (See Insurance Premium Tax in January 2003 “A Legislator’s Guide to Alabama’s Taxes” or Section 27-4A-3 Code of Alabama 1975) beginning in FY 1995; provided for economic development credits to reduce tax rate of property and casualty insurers, increased tax rate of surplus line

brokers from 4% to 6%; altered tax payment schedule from 25% quarterly to 25% in May, 45% in August, 5% in November, with the remainder to be paid in March; limited deposits to Education Trust Fund and Special Mental Health Fund from insurance premium tax receipts beginning FY 1995 to no more than was deposited in FY 1992; provided that, beginning with first tax payment made on premiums received on or after January 1, 1995 (May 15, 1995 payment) 100% of premium taxes paid by health maintenance organizations will be deposited to the State General Fund (previously 50% of domestic HMO premium taxes deposited to ETF); and provided that wet marine and transportation insurance written by Alabama admitted insurers be taxed as is other insurance (surplus lines wet marine and transportation insurance is exempt).

Acts 1993, 1st Ex. Sess., No. 847, p. 67

Provided for special rate of 1.6%, effective January 1, 1995, for premium tax on medical liability insurance (rather than the rate of 3.6% established by Act 93-679).

Acts 1995, No. 738, p. 1578

Provided that all premium taxes paid on long-term care coverage shall be deposited to the Education Trust Fund.

Acts 1996, No. 343, p. 423

Established continuing education requirements for insurance agents, service representatives and brokers; provided for new fees related to continuing education and provided that these fees, as well as certain existing fees for agent licenses and appointments and certain existing fees for service representatives' licenses, be deposited to the Insurance Agents and Brokers Continuing Education Fund which was created in this act. (See Acts 2001, No. 702.)

Acts 1996, No. 692, p. 1161

Created the Insurance Department Fund, to be used for the operation of the Department of Insurance; provided that at the end of any fiscal year any unencumbered and unexpended balance in the Fund, up to 25% of the amount appropriated for that fiscal year, shall remain in the Fund and not revert to the State General Fund; provided that 50% of retaliatory taxes, license fees (except those deposited to the Insurance Agents and Brokers Continuing Education Fund pursuant to Act 96-343) and certain other charges shall be deposited to the Insurance Department Fund. (See Acts 2001, No. 702.)

Acts 1998, No. 498, p. 1069

Altered tax payment schedule from schedule shown in Acts 1993, No. 679 (above) to current schedule (see COLLECTIONS).

Alabama Municipal Insurance Corporation, et. al. v. State of Alabama 730 So. 2d 107 (1998)

In March 1995 eight domestic property and casualty companies filed suit in Montgomery County Circuit Court challenging the constitutionality of the Insurance Premium Tax Reform Act of 1993 (see Acts 1993, No. 679 above). This suit alleged that the economic development credits which allow property and casualty insurers to reduce their tax rate by an amount dependent upon (1) the number of offices in the state and the persons employed within each of those offices and (2) the value of real property investments made in the state discriminates in favor of large companies and is, therefore, unconstitutional. In June, 1997 the Circuit Court ruled for the plaintiffs on the basis that the challenged tax credits violate the equal protection provisions of the Alabama Constitution, and declared the premium tax as it applied to all property and casualty companies void. However, on May 22, 1998 the Alabama Supreme Court reversed the Circuit Court judgment and remanded the case to the trial court for further proceedings or an order consistent with the Supreme Court opinion. The Alabama Supreme Court denied a rehearing on February 19, 1999. On October 4, 1999 the U.S. Supreme Court denied the taxpayers' petition for a writ of certiorari and let stand the ruling of the Alabama Supreme Court.

Acts 1999, 2nd Ex. Sess., No. 665, p. 131

Reduced the credit for franchise or privilege taxes paid to the state from 100% of the amount paid to 60% of the amount paid, effective for all taxable years beginning after December 31, 1999.

Acts 2001, No. 702, p. 1509

Established the current company and producer (formerly agent/broker) licensing fee structure (Section 27-4-2) and the current continuing education fee structure (Section 27-8A-9); and provided that producer and service representative annual license renewal fees, continuing education compliance form late filing fees, continuing education course provider initial and annual renewal fees, and continuing education course approval filing fees be deposited to the Insurance Department Fund, rather than to the Insurance Agents and Brokers Continuing Education Fund (which was eliminated by this act).

Acts 2002, No. 429, p. 1108

Provided a credit against the insurance premium tax for investments by insurance companies in certified capital companies, as defined in Section 40-14B-1(4) Code of Alabama 1975. The credits against the premium tax cannot begin until Calendar Year 2004 and cannot exceed $12.5 million per year or $100 million in total for the life of the program.

Acts 2006, No. 294, p. 599

Expanded the definition of Service Representative to include persons employed at an hourly rate by insurance producers.

Acts 2006, No. 299, p. 614

Provided for the biennial (instead of annual) renewal of licenses for insurance producers, service representatives and adjusters; doubled the license renewal fees for such licenses; required individuals to complete 20 hours of pre-licensing education for each major line of authority before qualifying to take the insurance producer examination for those lines of authority; required insurance producers and service representatives to complete 24 hours of continuing education on a biennial bases, with a certain number of the hours to be on producer ethics or business practices (formerly 12 hours annually with no ethics class requirement); authorized the commissioner to promulgate annual to biennial license transition rules; and provided for an adjustment of licensing fees as necessary to accommodate biennial licensing.

Acts 2006, No. 509, p. 1153

Provided for the regulation, licensure, taxation, and operation of captive insurance companies.

Acts 2006, No. 614, p. 1683

Prohibited an increase in life insurance premiums unless the policy or document is delivered with a written provision notifying the consumer that the premium may be increased.

Acts 2007, No. 472, p. 993

Extended the insurance premium tax credits for investments by insurance companies in certified capital companies to provide additional credits to insurers that provide venture capital to a certified capital company. The credits issued cannot exceed $100 million for all years in which the premium tax credits are allowed. Additionally, the amount of credits issued may not exceed 5% of the certified investor's vested premium tax credit for any tax year until 2014, at which time 17.5% of the vested credit may be taken.

NOTE REGARDING LOCAL RATES:

Counties may not impose premium, license or privilege taxes on insurance companies (Section 27-4A-5). Municipalities may impose a tax on fire and marine insurance companies not to exceed 4% per $100 of the gross premiums, less return premiums, on policies on property located in the municipality (Section 11-51-120).

COMPARISON WITH NEIGHBORING STATES:

Florida

Gross premium (less reinsurance and return premiums or assessments) tax on foreign insurers at the following rates: 1% for annuities (with certain exceptions); 0.75% of gross underwriting profit for wet

marine and transportation insurers; 1.6% for the multiple-employer welfare arrangement, the commercial self–insurance fund, professional liability risk management trust fund, and medical malpractice self-insurance fund; and 1.75% for all others (property and casualty, life and health, including Blue Cross/Blue Shield). Domestic insurers maintaining their home office in Florida are exempt. Insurers are also subject to the Florida corporate income tax. Every insurer authorized to transact insurance for commercial property in Florida must collect, in addition to the applicable premium charge, an annual surcharge from each holder of a policy for fire, allied lines, or multi-peril insurance. The surcharge is imposed at a rate of 0.1% on the gross direct premium written on commercial property located in Florida. The insurer remits the surcharge to the Department of Revenue. There is also a $2 per policy annual surcharge on homeowner's, mobile homeowner's, tenant homeowner's, and condominium unit owner's policies and a $4 annual surcharge on commercial fire, commercial multi-peril, and business owner's property insurance policies. The State Department of Insurance also collects a fire marshal's assessment of 1% of gross premiums from fire insurance on property in Florida and a surplus lines tax of 5%. Insurers are allowed a credit against the premium tax for intangibles taxes, corporate income taxes and emergency excise taxes paid, and a credit equal to 15% of the salaries (excluding commissions) paid to non-licensed employees within Florida. The total credit, exclusive of intangibles taxes, may not exceed 65% of the premium tax liability. Through June 30, 2015, a credit is allowed for 50% of community contributions for projects in enterprise zones undertaken by an eligible sponsor that is designed to construct, improve or substantially rehabilitate housing or commercial, industrial or public resources and facilities or to improve entrepreneurial and job-development opportunities for low-income persons. No insurer can receive more than $200,000 in annual credits for all approved community contributions made in any one year. Unused credit may be carried forward for up to five years. The total amount of tax credits allowable is $12 million. A child care tax credit against the premium tax is available for insurance companies that operate on-premises child care facilities for the benefit of their employees. Not more than $50,000 in tax credits for child care can be received each year. The credit expires on June 30, 2008, except for carry forward of unused amounts. Florida also allows certified capital company investment credits. Foreign companies, other than those with a regional home office in Florida, are subject to retaliatory provisions.

Georgia

A gross premium tax (less return premiums) of 2.25% on domestic and foreign insurers (including Blue Cross/Blue Shield and annuity considerations); surplus line brokers and independently procured coverage pay 4%. However, if 25% of a firm's qualifying total assets are invested in bonds of the state or its municipal

governing bodies, Georgia property, or loans secured by liens on such property, the premium tax is 1.25% and, if the amounts so invested equal 75% of total qualifying assets, the tax rate is .5%. There is an additional county tax of 1% on life policies on residents of county unincorporated areas and up to 2.5% on other lines for counties and municipalities (with the 1% life deductible from state premium tax due). Georgia allows credits for investment in a certified capital company, effective March 1, 2003. Foreign companies are subject to retaliatory taxes. Captive insurers are taxed in the same manner as other domestic insurance companies.

Mississippi

The tax for domestic and foreign companies is 3% of gross premiums, less premiums received for reinsurance, return premiums, cash dividends and cancellations. Surplus lines are taxed at 4%. There is no tax on annuities. Mississippi has a voluntary basic health insurance coverage program designed to provide health insurance coverage to persons under age 65 who are accepted by an approved carrier and who have been without private health insurance coverage for at least one year or whose family income does not exceed 150% of the federal poverty level. Contracts of such insurance coverage offered by approved carriers are exempt from the insurance premiums tax on domestic and foreign insurance companies. A fire marshal tax of 1% is levied based on property insured in Mississippi. The gross premium tax on foreign and domestic companies is reduced by the net amount of income tax paid to and percentage of total assets invested in Mississippi. Foreign companies are subject to retaliatory taxes.

Tennessee

All applications for admission have a $675 fee; new certificate of authority, $440. Gross premium tax on all foreign and domestic property and casualty insurance companies is 2.5% ($150 minimum) general rate plus an additional tax of .75% on fire insurance companies on that portion of the premium applicable to the fire risk (but property and casualty rates may be reduced by up to 75% based on % of total assets invested in Tennessee); annuity, pension, or profit-sharing plans exempt from federal income tax, or qualifying for certain income tax advantages, pay no tax (nonqualified annuities pay at the life insurance rate). Domestic and foreign life and health insurance companies, including Blue Cross/Blue Shield, pay 1.75% ($150 minimum) of gross premiums; surplus lines are taxed at 2.5% with the exception of 3.25% on fire premiums; captive insurance company premiums are taxed at 1%; and title insurance companies are taxed at 2.5%. Health maintenance organizations, including limited health service organizations, are taxed at 2% of gross dollar amount collected. Foreign companies are subject to retaliatory taxes.

JUDICIAL FEES AND FINES

CONSTITUTIONAL PROVISION:

Section 96 to the Constitution of Alabama of 1901

Prohibits the Legislature from enacting any law that does not apply to all counties, which regulates costs and charges of courts. However, there are numerous constitutional amendments authorizing local court costs by methods other than a constitutional amendment.

STATUTORY AUTHORITY:

Sections 9-11-7, 11-25-9, 11-47-7.1, 12-14-14, 12-14-18, 12-19-20 through 12-19-180, 12-19-250 through 12-19-254, 15-23-17, 30-3-61, 32-5-313, 33-5-33, 36-18-7, 36-18-32 and 36-21-67 Code of Alabama 1975, as amended.

FEE DISTRIBUTION

Title 12, Chapter 19, Article 2, Code of Alabama 1975, governs the amount and manner of distribution of docket fees which shall be assessed and collected in district and circuit courts throughout the state. The docket fees are uniform throughout the state, except in those counties where additional court costs are authorized by local act. Information regarding local court costs may be obtained by accessing the various county websites. This chart outlines the docket fees and other fees and monies authorized by the statute to be collected. The distribution of the fees as required by the statute is set forth beside each fee.
Source: Unified Judicial System - adapted from Form C-56.

DISTRICT COURT		DISTRIBUTED TO:										
Type Case and Fee Amount		Fair Trial Tax Fund	State General Fund	County General Fund	DA Fund	Peace/ Police Officers' Annuity Fund	Peace Officers' Stand & Training Fund	State Drivers' Fund	Crime Victims Comp Fund	DNA Fund	Advanced Tech. & Data Fund	Authority
Small Claims (*up to $1,500*) Docket Fee	$35	$17	$13	$5								12-19-71(a)(1) 12-19-72(1)
Small Claims *($1,501 - $3,000)*	$109	$21	$75	$8							$5	12-19-71(a)(2) 12-19-72(2)
Civil Docket Fee *($3,001 - $10,000)*	$200	$21	$159.50	$12.50						$2	$5	12-19-71(a)(3) 12-19-72(3) 36-18-32(h)
Juvenile CHINS, Dependency & Other Non-Criminal	$92	$21	$49	$10			$5			$2	$5	12-19-171(a)(3)&(c) 36-18-32(h)
Juvenile Traffic Infraction	$94	$21	$49	$10			$5		$2	$2	$5	12-19-171(a)(3)&(c) 15-23-17(a) 36-18-32(h)
Juvenile Misdemeanor Violation	$102	$21	$49	$10			$5		$10	$2	$5	12-19-171(a)(3)&(c) 15-23-17(a) 36-18-32(h)
Juvenile Felony Violation	$107	$21	$49	$10			$5		$15	$2	$5	12-19-171(a)(3)&(c) 15-23-17(a) 36-18-32(h)

DISTRICT COURT (contd)					DISTRIBUTED TO:							
Type Case and Fee Amount		Fair Trial Tax Fund	State General Fund	County General Fund	DA Fund	Peace/ Police Officers' Annuity Fund	Peace Officers' Stand & Training Fund	State Drivers' Fund	Crime Victims Comp Fund	DNA Fund	Advanced Tech. & Data Fund	Authority
Traffic Infraction Docket Fee; Arrest by State Officer	$101	$21	$5 Arrest fee $49	$3	$2.50	$3		$8.50	$2	$2	$5	12-19-171(a)(1)a.&(c) 15-23-17(a) 36-18-32(h) 36-21-67
Traffic Infraction Docket Fee; Arrest by County Officer	$101	$21	$49	$5 arrest fee $3	$2.50	$3		$8.50	$2	$2	$5	12-19-171(a)(1)a.&(c) 12-19-179(a)&(b) 15-23-17(a) 36-18-32(h) 36-21-67
Violation Misdemeanor Docket Fee; Arrest by State Officer	$134	$21	$5 Arrest fee $64	$5	$10	$7	$5		$10	$2	$5	12-19-171(a)(1)c.&(c) 12-19-178 15-23-17(a) 36-18-32(h) 36-21-67
Violation Misdemeanor Docket Fee; Arrest by County Officer	$134	$21	$64	$5 arrest fee $5	$10	$7	$5		$10	$2	$5	12-19-171(a)(1)c.&(c) 12-19-178 15-23-17(a) 36-18-32(h) 36-21-67
Felony Guilty Plea Docket Fee; Arrest by State Officer	$207	$21	$5 arrest fee $104	$5	$30	$10	$10		$15	$2	$5	12-19-171(a)(1)d.&(c) 12-19-176 15-23-17(a) 36-18-32(h) 36-21-67
Felony Guilty Plea Docket Fee; Arrest by County Officer	$207	$21	$104	$5 arrest fee $5	$30	$10	$10		$15	$2	$5	12-19-171(a)(1)d.&(c) 12-19-176 15-23-17(a) 36-18-32(h) 36-21-67
Preliminary Hearing	$30		$30									12-19-171(a)(1)e. 12-19-177
Bond Forfeiture	$72	$21	$39	$5						$2	$5	12-19-171(a)(1)f.&(c) 12-19-173 36-18-32(h)
Alias writ	$22		$18	$2						$2		12-19-171(a)(1)b. 12-19-179(c) 36-18-32(h)
Conservation Docket Fee; Arrest by State Officer $7 arrest & bond fee to Dept. of Consv.	$131	$21	$64	$5	$10*	$7			$10	$2	$5	12-19-170 12-19-171(a)(1)c.&(c) 12-19-178 15-23-17(a) 36-18-32(h) 36-21-67
Conservation Docket Fee; (Fish & Game) Arrest by State Officer $7 arrest & bond fee to Dept. of Consv.	$121	$21	$64	$5		$7			$10	$2	$5	9-11-7 12-19-170 12-19-171(a)(1)c.&(c) 12-19-178 15-23-17(a) 36-18-32(h) 36-21-67
Conservation Docket Fee; Arrest by County Officer	$131	$21	$64	$7 arrest fee $5	$10*	$7			$10	$2	$5	12-19-170 12-19-171(a)(1)c.&(c) 12-19-178 15-23-17(a) 36-18-32(h) 36-21-67
Conservation Docket Fee; Arrest by County Officer	$121	$21	$64	$7 arrest fee $5		$7			$10	$2	$5	9-11-7 12-19-170 12-19-171(a)(1)c.&(c) 12-19-178 15-23-17(a) 36-18-32(h) 36-21-67

*Section 33-5-33 provides that if a defendant pleads guilty and no appeal is taken, this amount is not collected in Water Safety Cases.

CIRCUIT COURT		DISTRIBUTED TO:									
Type Case and Fee Amount		Fair Trial Tax Fund	State General Fund	County General Fund	DA Fund	Peace/ Police Officers' Annuity Fund	Peace Officers' Stand. & Training Fund	Crime Victims Comp Fund	DNA Fund	Advanced Tech. & Data Fund	Authority
Civil Docket Fee (up to $50,000) (except domestic relations and Workers' compensation cases)	$199	$25	$153.50	$13.50					$2	$5	12-19-71(a)(4) 12-19-72(5) 36-18-32(h)
Civil Docket Fee (more than $50,000) (except domestic relations and Workers' compensation cases)	$299	$25	$246.75	$20.25					$2	$5	12-19-71(a)(4) 12-19-72(4) 36-18-32(h)
Jury Demand	$100	$10	$86.50	$3.50							12-19-71(a)(13) 12-19-72(12)
Civil Docket Fee (Counterclaim, crossclaim, 3rd party complaint or motion, declaratory judgment, inter-venor or 3rd party plaintiff)	$297	$25	$236.75	$30.25						$5	12-19-71(a)(8) 12-19-71(a)(9) 12-19-72(8)
Domestic Relations (Original Filing)	$147	$25	$105	$10					$2	$5	12-19-71(a)(5) 12-19-71(a)(6) 12-19-72(6) 36-18-32(h)
Domestic Relations (Modification/Enforcement)	$250	$25	$201	$17					$2	$5	12-19-71(a)(7) 12-19-72(7) 36-18-32(h)
Workers' Compensation* Docket Fee	$147	$25	$105	$10					$2	$5	12-19-71(c)(1) 12-19-72(6) 36-18-32(h)
Violation/Misdemeanor Docket Fee	lower ct. cost plus $134	$21	$64	$10	$10	$7	$5	$10	$2	$5	12-19-171(a)(2)b.&(c) 12-19-175 15-23-17(a) 36-18-32(h) 36-21-67
Traffic Infraction Docket Fee	lower ct. cost plus $121	$21	$64	$10	$10	$7		$2	$2	$5	12-19-171(a)(2)b.&(c) 12-19-175 15-23-17(a) 36-18-32(h) 36-21-67
Municipal Ordinance Docket Fee (non-traffic) $8.70 to municipality**	lower ct. cost plus $134	$21	$64	$1.30	$10	$7	$5	$10	$2	$5	12-19-154 12-19-172(c) 12-19-175 15-23-17(a) 36-18-32(h) 36-21-67
Municipal Ordinance Traffic Infraction Appeal Docket Fee $7.90 to municipality***	lower ct. cost plus $121	$21	$64	$2.10	$10	$7		$2	$2	$5	12-19-154(b) & 154(a)(1) 12-19-172(c) 12-19-175 15-23-17(a) 36-18-32(h) 36-21-67
Conservation Appeal Docket Fee	lower ct. cost plus $136	$21	$7 arrest fee $64	$10	$10	$7		$10	$2	$5	12-19-170 12-19-171(a)(2)b.&(c) 12-19-175 15-23-17(a) 36-18-32(h) 36-21-67
Felony Docket Fee **** Arrest by State Officer	$207	$21	$5 arrest fee $104	$5	$30	$10	$10	$15	$2	$5	12-19-171(a)(2)c.&(c) 12-19-174 15-23-17(a) 36-18-32(h) 36-21-67
Felony Docket Fee **** Arrest by County Officer	$207	$21	$104	$5 arrest fee $5	$30	$10	$10	$15	$2	$5	12-19-171(a)(2)c.&(c) 12-19-174 15-23-17(a) 36-18-32(h) 36-21-67
Bond Forfeiture	$72	$21	$39	$5					$2	$5	12-19-171(a)(2)d.&(c) 12-19-173 36-18-32(h)
Alias writ	$32		$25	$5					$2		12-19-171(a)(2)a. 12-19-179(c)(2) 36-18-32(h)

* Act 2004-636 prohibits an increase in the filing fee for any workers compensation case filed in circuit court; thus the docket fee will remain at $145 plus $2 to be distributed to the DNA Database Fund. For the distribution of the remaining $145 see Code Section 12-19-72(6).

** The amount to the municipality is determined by Section 12-19-154, which provides that the municipalities shall receive 10% of the docket fee in municipal ordinance cases in district and in circuit court and that the municipal share would come from that part of the docket fee allocated to the county general fund. In 1987, Act 87-405 was enacted and mandated a new section 12-19-155, which prohibits the increase in docket fees from resulting in an increase in the municipal share of the docket fee. Thus, the municipal 10% share is based on the $87 docket fee.

*** Act 83-744, Act 87-405, Act 92-227 and Act 94-804 prohibit an increase in the municipal share of docket fees collected in municipal ordinance cases in circuit court thus resulting in a smaller share of the overall docket fee being distributed to the municipalities.

**** If preliminary hearing was requested in district court, also collect and disburse fee in circuit court.

MUNICIPAL ORDINANCE/ DISTRICT COURT						**DISTRIBUTED TO:**						
Type Case and Fee Amount		Fair Trial Tax Fund	State General Fund	County General Fund	DA Fund	Peace/Police Officers' Annuity Fund	Peace Off. Stand. & Train. Fund	State Driver's Fund	Crime Victim Comp. Fund	DNA Fund	Advanced Tech. & Data Exchange Fund	Authority
Traffic infraction Docket fee $3 to municipality	$101	$21	$5 arrest fee $49		$2.50	$3		$8.50	$2	$2	$5	12-19-154(a)(1) 12-19-172(a)(1)&(b) 12-19-179(a) 15-23-17(a) 36-18-32(h) 36-21-67
Violation/non-traffic docket fee $5 to municipality	$134	$21	$5 arrest fee $64		$10	$7	$5		$10	$2	$5	12-19-154(a)(1) 12-19-172(a)(3)&(b) 12-19-178 15-23-17(a) 36-18-32(h) 36-21-67
Bond Forfeiture $1.50 to municipality	$72	$21	$39	$3.50						$2	$5	12-19-154(a)(1) 12-19-172(a)(4)&(b) 12-19-173 36-18-32(h)
Alias writ $.50 to municipality	$22		$18	$1.50						$2		12-19-154(a)(1) 12-19-172(a)(2) 12-19-179(c) 36-18-32(h)

GENERAL		DISTRIBUTED TO:				
Type Case and Fee Amount		State General Fund	County General Fund	DNA Fund	Other	Authority
Abandoned Vehicle	$35	$35				12-19-76 41-4-92 AG Opinion 84-131
Small Claims Additional Plaintiff (up to $500 max fee)	$50	$46.50	$3.50			12-19-71(a)(11) 12-19-72(9)
District Civil Additional Plaintiff (up to $500 max fee)	$50	$45	$5			12-19-71(a)(11) 12-19-72(10)
Circuit Civil (except DR) Additional Plaintiff (up to $1,000 max fee)	$100	$93	$7			12-19-71(a)(12) 12-19-72(11)
Dispositive Motions: Judgment on the Pleadings (Rule 12c); Default Judgment (Rule 55b); Summary Judgment (Rule 56) (except small claims cases)	$50	$45	$5			12-19-71(a)(10) 12-19-72(10)
Service Fee-each additional defendant	$10	$7	$3			12-19-73(a)(1) 12-19-73(b)
Service Fee: third party plaintiff	$10	$7	$3			12-19-73(a)(1) 12-19-73(b) Rule 14, ARCP
Service Fee: non-resident defendant	$10	$7	$3			12-19-73(a)(1) 12-19-73(b)
Service Fee-defendant by publication or certified mail	Actual cost				Actual cost to newspaper or postmaster	12-19-73(a)(1)
Affidavit for Service of income withholding order	$15	$12	$3			12-19-75 30-3-61(d)
Witness Fee Civil: $1.50/day and $.05 per mile					To witness	12-19-131(a)
Witness subpoena fees (all courts)	Each subpoena $12	$4.50	$7.50			12-19-74(a) 12-19-171(b) 12-19-74(b)
Attachment fee (all courts)	$30	$22.75	$5.25	$2		12-19-75(b)(1) 12-19-75(c)(1) 36-18-32(h)
Garnishment fee (all courts)	$30	$22.75	$5.25	$2		12-19-75(b)(2) 12-19-75(c)(2) 36-18-32(h)
Executive fee (all courts)	$30	$21.40	$6.60	$2		12-19-75(b)(3) 12-19-75(c)(3) 36-18-32(h)
Law library tax	As may be set by law				As may be set by law	12-19-20(b)(2) 11-25-9
Copies of Court records (all courts)	Each page $.25	Each page $.25				Rule 30, ARJA 12-19-20(b)(1)
Certified copies	$1	$1				Rule 30, ARJA 12-19-20(b)(1)
Publication	Actual cost				Actual cost to newspaper	12-19-73(a)
Certified or registered mail	Actual cost				Actual cost to post office	12-19-73(a)
Judicial or court administration	As may be set by law				As may be set by law	12-19-20(b)(4)
Monies paid into court for benefit of litigants	As set forth in order of the court				As set forth in order of the court	
Public defender fees	As may be set by local law				As may be set by local law	12-19-20(b)(2)
Work release fees	As may be set by local law				As may be set by local law	12-19-20(b)(2)
Pre-trial release fee	As may be set by local law				As may be set by local law	12-19-20(b)(2)
Administrative fee on periodic payments	$1	$1				12-19-26(a)
Fee on Judicial Sales		1% of sales price				12-19-23(a)

Section 32-6-18 provides that, in addition to the above fees, an additional assessment of $50 shall be added in all courts upon conviction of driving while license is suspended, cancelled or revoked or without a license. The fee is deposited $25 to the ADECA Traffic Safety Trust Fund and $25 to the Peace Officer's Standards & Training Commission.

Distribution Schedule of Costs, Fees and Fines
in Municipal Courts

Traffic Violations in Municipal Courts:

$17	General Fund of Municipality	Section 12-14-14, 12-19-172(d)
$16	Fair Trial Tax Fund	Sections 12-19-250, 12-19-172(d)
$3	Alabama Peace Officers' Annuity & Benefit Fund	Sections 36-21-67, 12-14-14
$2	Crime Victims Compensation Fund	Section 15-23-17
$21	State General Fund	Section 12-14-14, 12-19-172(d)
$8.50	State Drivers' Fund	Section 12-14-14
$2	Alabama DNA Database Fund	Section 36-18-32(h)
$3	Advanced Technology & Data Exchange Fund	Section 12-19-172(d)
$72.50	Total Traffic Court Costs (Excluding DUI cases)	
Add	$50 for driving while license is suspended, cancelled or revoked or without a license-$25 to ADECA Traffic Safety Trust Fund and $25 to the Alabama Peace Officer's Standards & Training Commission	Section 32-6-18
Add	Municipal Corrections Fund [3] (Determined by Municipal Ordinance)	Section 11-47-7.1
Add	Other local costs set by local legislative acts	

DUI Cases (in addition to the traffic costs shown above): *

$10	Criminal History Processing Fee-Automated Fingerprint	Section 12-19-180
$5	Criminal History Processing Fee-Court Automation	Section 12-19-180
$10	Criminal History Processing Fee-CJIS Automation Fund	Section 12-19-180
$5	Criminal History Processing Fee-Forensic Sciences Forensic Services Fund	Section 12-19-180
$100	Alabama Chemical Testing Training and Equipment Fund	Section 32-5A-191
$95	Impaired Drivers Trust Fund	Section 32-5A-191
$5	General Fund of Municipality	Section 32-5A-191
$150	State General Fund-DUI Fines 1st offense	Section 32-5A-191
$400	State General Fund-DUI Fines 2nd offense	Section 32-5A-191
$900	State General Fund-DUI Fines 3rd offense	Section 32-5A-191
$1,900	State General Fund DUI Fines 4th subsequent offense	Section 32-5A-191

***Distribution amounts to the SGF apply if paid in full at one time. If paid in full, but on an installment basis, the SGF would receive an additional $100 for each case.**

Non-Traffic Violations in Municipal Courts:

$17	General Fund of Municipality [1]	Section 12-14-14, 12-19-172(d)
$16	Fair Trial Tax Fund [2]	Sections 12-19-250, 12-19-172(d)
$7	Alabama Peace Officers' Annuity & Benefit Fund	Sections 36-21-67, 12-14-14
$10	Crime Victims Compensation Fund	Section 15-23-17
$21	State General Fund	Section 12-14-14, 12-19-172(d)
$10	Criminal History Processing Fee-Automated Fingerprint	Section 12-19-180
$5	Criminal History Processing Fee-Court Automation	Section 12-19-180
$10	Criminal History Processing Fee-CJIS Automation Fund	Section 12-19-180
$5	Criminal History Processing Fee-Forensic Sciences Forensic Services Fund	Section 12-19-180
$2	Alabama DNA Database Fund	Section 36-18-32(h)
$3	Advanced Technology & Data Exchange Fund	Section 12-19-172(d)
$106	Total Non-Traffic Court Costs	
Add	Municipal Corrections Fund [3] (Determined by Municipal Ordinance)	Section 11-47-7.1
Add	Other local costs determined by local legislative acts	

Drug-Related Cases (collect the following in addition to the non-traffic costs shown above):

$99	Alabama Forensic Services Trust Fund	Section 36-18-7
$1	Municipal General Fund-Administrative Cost	Section 36-18-7

Bond Forfeitures in Municipal Courts:

$2	Alabama DNA Database Fund	Section 36-18-32(h)
$2	Total Bond Forfeiture Costs	

Alias and Capias Warrants, Attachments and Executions:

$2	Alabama DNA Database Fund	Section 36-18-32(h)

[1] The amount of $17 for the General Fund of the municipality assumes that the municipality has, by ordinance, adopted the maximum amount of $10 pursuant to Section 12-14-14. If a municipality's ordinance sets a cost of less than $10 for the municipal general fund, the $17 local cost should be reduced to the total of the amount set by ordinance plus $7.

[2] Section 12-19-251.1 provides that these funds may be retained in the General Fund of the municipality to defray the cost of providing representation for indigent defendants in municipal court. Any excess over such costs is remitted to the treasury of the State of Alabama to the credit of the Fair Trial Tax Fund.

[3] Section 11-47-7.1 authorizes any municipal governing body, by majority vote, to levy and assess additional court costs and fees up to an amount not to exceed court costs and fees in the district court of the county for a similar case. These funds must be paid into a special municipal fund, known as the "Corrections Fund," and used exclusively for the operation and maintenance of a municipal jail, court complex or any juvenile detention center.

Pursuant to Section 12-19-152, fines collected in misdemeanor and felony cases in district and circuit courts are remitted to the State General Fund unless otherwise provided. (See Sections 33-5-32, 33-5-51(h), 33-5-61, 33-5-62 and 33-5-66(e) for disposition of fines for violation of provisions regarding the registration and operation of vessels; Section 9-11-6 for disposition of fines for violation of provisions of game and fish laws; Section 9-13-65 for disposition of fines for violation of certain laws regarding forest and forest products; Section 32-5A-191 for disposition of fines for DUI; Section 32-5A-191.3(g) for disposition of fines for operation of a vessel while DUI; Section 32-6-233.1 for disposition of fines for unauthorized use of a handicapped parking place.) Pursuant to Section 12-14-18, fines and forfeitures collected in municipal ordinance cases in district and circuit courts are remitted 90% to the municipality and 10% to the State General Fund, except fines collected for violation of Section 32-5A-191 (DUI) pursuant to a municipal ordinance are remitted as provided in Section 32-5A-191(k). Section 11-45-9 limits fines in municipal courts to $500.

COLLECTIONS:

The Administrative Director of Courts shall prescribe procedures for collection and distribution of court fees and fines.

Fiscal Year	Collections ($)*	Percent Change
2007-08	92,726,285	10.06
2006-07	84,248,855	8.74
2005-06	77,474,812	7.06
2004-05	72,364,871	14.19
2003-04	63,369,964	8.68

*State General Fund collections only. Includes receipts from fines and commissions from judicial sales as well as docket (court cost or filing) fees.

Source: "Comparison of Net Receipts" Report – Comptroller's Office.

LEGISLATIVE HISTORY:

Acts 1935, No. 240, p. 632

Provided that fines and forfeitures collected by the district courts upon conviction of violation of game and fish laws or rules and regulations promulgated there under shall be deposited to the Game and Fish Fund; and provided for a solicitor's fee of $5 upon conviction of violation of game and fish laws and imposition of a fine or penalty. (See Act 45-449 and Act 95-544.)

Acts 1945, No. 449, p. 687

Eliminated $5 solicitor's fee provided by Act 35-240. (See Act 95-544.)

Acts 1964, 1st Ex. Sess., No. 244, p. 335

Provided for additional penalty of $1 upon conviction in any state or city court of moving traffic violation, to be credited to Driver Education and Training Fund, 90% to be used by the Department of Education for driver education and 10% to be for administrative expenses of State Safety Coordinating Committee.

Acts 1965, 2nd Ex. Sess., No. 60, p. 85

Provided for "fair trial tax" of $1 on all criminal cases docketed in any court except the Supreme Court, Court of Appeals, or cases in the mayor's, recorders, or municipal courts if the offense charged was a violation of a municipal ordinance; provided that the tax be remitted to the Fair Trial Tax Fund, to be expended for indigent defense; and provided that any unexpended balance in the Fair Trial Tax Fund at the end of a fiscal year shall revert to the State General Fund.

Acts 1969, No. 999, p. 1855

Provided for additional court cost of $1 for each moving traffic violation, $5 for each misdemeanor and $10 for each felony conviction, to be deposited to the Alabama Peace Officers' Annuity and Benefit Fund; and excluded Conservation law violations.

Acts 1971, No. 1210, p. 2104

Deleted language in Act 69-999 which excluded Conservation law violations from the provisions of the act.

Acts 1971, No. 2101, p. 3371

Specifically included Conservation law violations in additional court costs designated for Peace Officers' Annuity and Benefit Fund (see Acts 69-999 and 71-1210).

Acts 1971, No. 2421, p. 3853

Amended Act 65-60 to provide that (1) the fair trial tax levied by that act shall also be levied in suits at law or in equity; (2) the fair trial tax be increased from $1 to $2; (3) the fair trial tax shall be levied in all courts except cases in the mayor's, recorders, or municipal courts when the offense charged is a violation of a municipal ordinance - except, however, if cases in such courts involve an offense which is also a violation of state law; (4) in counties with a public defender a portion of the fair trial tax collected in that county shall be expended for support of that office; and (5) any unexpended balance remaining in the Fair Trial Tax Fund at the end of a fiscal year shall not revert to the State General Fund.

Acts 1975, No. 1205, p. 2384

Implemented new Judicial Article of the Constitution (Amendment No. 328) by establishing Unified Judicial System for the state, including uniform court costs (see act for fee schedule). Prior to 1975, the various court fees and fines were collected and distributed within the counties.

Acts 1976, No. 564, p. 763

Provided for $35 fee for report of sales of abandoned automobiles, to be paid to the circuit court.

Acts 1978, No. 617, p. 877

Provided that municipal court clerks, instead of remitting receipts from the fair trial tax to the State General Fund, shall pay those receipts into the general fund of the municipality, to be expended by that municipality for defense of indigents in that municipality's courts, with any fines not expended for that purpose to revert to the state treasury.

Acts 1979, No. 751, p. 1336

Established organizational options for existing and future county law libraries. For those existing libraries opting to come under the provisions of this act and for new libraries organized under the provisions of

this act, a library fee of $2 shall be paid in all cases and causes wherein a docket or filing fee is paid in the district and circuit courts of the various counties wherein this act is in effect.

Acts 1980, No. 634, p. 1198

Provided for a distinct, uniform $25 docket fee for juvenile cases and provided for distribution thereof; and eliminated distinction between moving and non-moving traffic violations for docket fee purposes.

Acts 1980, No. 635, p. 1201

Provided for a sliding scale fee to be collected from the proceeds of all judicial sales and remitted to State General Fund.

Acts 1981, No. 675, p. 1099

Clarified that the fee on judicial sales provided by Act 80-635 shall not apply to judicial sales in probate courts.

Acts 1981, No. 716, p. 1203

Provided for a $5 increase in docket fees in every criminal and civil action docketed in the municipal, district and circuit courts, to be distributed to Fair Trial Tax Fund. (Resulted in increase of from $2 to $7 of total docket fee designated for Fair Trial Tax Fund.)

Acts 1981, No. 864, p. 1654

Provided for increase of $5 for misdemeanors and violations, $10 for felonies and $5 for juvenile cases in district and circuit court costs, to be distributed to the Peace Officers' Standards and Training Fund for law enforcement training.

Acts 1983, No. 724, p. 1179

Provided for an increase from $1 to $1.50 in court costs provided by Act 64-244 for traffic violations, said increase to fund courses of instruction in the driving of trucks.

Acts 1983, No. 744, p. 1225

Provided for the following increases in court costs for civil cases: $5 for small claims cases, $8 for other district court cases, and $15 for circuit court cases; increased by $10 juvenile, traffic, ordinance violation and criminal cases in district and circuit courts and increased associated service fees (generally by $2); and provided that the increased docket fees be deposited to the State General Fund.

Acts 1984, No. 658, p. 1308

Provided for increases in court costs of $2 for traffic violations, $10 for misdemeanor violations and $15 for felony violations to fund the Alabama Crime Victims Compensation Commission.

Acts 1984, 1st Ex. Sess., No. 732, p. 68

Provided that fee collected from proceeds of judicial sales (see Act 80-635) be levelized at 1%; and provided that $1 of each periodic payment made through the courts for alimony, child support or court-related restitution be remitted to the State General Fund.

Acts 1987, No. 405, p. 575

Increased court fees and costs as follows: civil cases in district court from $38 to $59; civil cases in circuit court from $55 to $95; jury demand from $15 to $50; traffic infractions in district court from $37.50 to $38; misdemeanors and ordinance violations from $55 to $60; felonies from $102 to $130; also increased associated service fees; provided for distribution of the increased fees to the State General Fund and county general funds; and provided for the appropriation of the fee increases from the State General Fund to the judiciary and district attorneys for FY 1988.

Acts 1987, No. 638, p. 1142

Provided for an increase in court costs for traffic violations from $1.50 to $2. Of this increase: $.10 was designated for driver education by the Department of Education (for a total of $1); $.10 was designated for the payment of administrative expenses of the State Safety Coordinating Committee (for a total of $.20); and the remaining $.30 increase, plus $.15 formerly designated for truck driver education, was designated to the Alabama Traffic Safety Center Fund to be used by institutions under the control of the State Board of Education to conduct programs in traffic, motorcycle and boating safety. (The new distribution resulted in $.35 for truck driver education.)

Acts 1988, No. 658, p. 1055

Provided that the portion of the $2 court costs for traffic violations, designated by Act 87-638 for the use of the Alabama Traffic Safety Center, shall not be controlled by the State Department of Education or by any institution under its control.

Acts 1991, No. 433, p. 769

Increased court costs for traffic violations from $2 to $7 and provided for distribution of that $7. Due to a change in the Administrative Office of Courts' interpretation of statutes affected by this act following its passage, Act 91-824 was enacted to achieve the effect intended by this act.

Acts 1991, No. 438, p. 778

Increased docket fees as follows: traffic infraction in district courts from $38 to $40; misdemeanors and municipal ordinance violations in district and circuit courts from $60 to $62; provided that the $2 increase be deposited to the Police Officers' Annuity and Benefit Fund.

Acts 1991, 1st Ex. Sess., No. 824, p. 224

Increased docket fees for traffic infractions in district court from $40 to $47 and levied a docket fee of $8.50 for traffic offenses in municipal courts, with the increase to be distributed to the Drivers' Fund. Repealed the $2 levied in Section 32-5-313 and added the overall $7 increase to the existing $1.50 designated for the Drivers' Fund, for a total of $8.50 ($6.50 net increase) to the Fund. Provided that of the $8.50 deposited to the Drivers' Fund, $1.50 will go to the Department of Public Safety for implementation of the Commercial Driver's License program, with the remaining $7 distributed as follows: 21% to the State Department of Education for driver education; 36% to the State Department of Postsecondary Education (to be distributed to certain technical colleges for truck driver training); 3% to the State Safety Coordinating Committee; 30% to the Catastrophic Trust Fund for Special Education; and 10% to the Alabama Traffic Safety Center Fund.

Acts 1992, No. 227, p. 562

Increased docket fees as follows: small claims cases filed in district court from $20 to $25; civil cases filed in district court from $59 to $74; civil cases filed in circuit court from $95 to $110; civil case jury demand fees from $50 to $51; traffic infractions in district court from $47 to $62; misdemeanors and municipal ordinance violations in district and circuit courts from $62 to $87; felonies in district and circuit courts from $130 to $155; juvenile cases from $40 to $55. Provided that all increased fees be deposited to the State General Fund except the additional $1 jury demand fee (which was directed to the Department of Youth Services for the payment of juvenile probation officers' salaries). Provided for the amendatory fees provided by this act to terminate during FY 1992 and FY 1993 when the amounts appropriated from the State General Fund to the judiciary by this act for those fiscal years was collected from said amendatory fees. Further provided that the amendatory fees terminate on September 30, 1994. (See Act 93-133.)

Acts 1992, 2nd Ex. Sess., No. 677, p. 58

Levied a criminal history processing fee (additional court cost) of $10 on any person convicted of a crime in municipal, district or circuit court, excluding traffic cases that do not involve driving under the influence of alcohol or controlled substances, and conservation and juvenile cases. $7 of each $10 fee is to be deposited to the Public Safety Automated Fingerprint Identification System Fund and the remaining $3 is to be deposited to the Court Automation Fund. (See Act 93-255 and Act 93-641 for further provisions regarding expenditure of monies deposited to the Court Automation Fund.)

Acts 1993, No. 133, p. 189

Amended Act 92-227 to provide that fees generated by that act shall be deposited in the State General Fund and the increase in court fees provided by that act would not terminate as provided in that act but would, instead, be effective until October 1, 1995.

Acts 1994, No. 694, p. 1334

Provided that, in addition to any other court costs and fees authorized, any municipal governing body may, by majority vote, levy additional court costs and fees up to an amount not to exceed the county court costs and fees on each case filed in municipal court. Any such additional court cost or fee is to be paid into a special municipal fund, the Corrections Fund, to be expended exclusively for the operation and maintenance of the municipal jail, other correctional facilities, juvenile detention center or court complex. (See Act 95-401.)

Acts 1994, 1st Ex. Sess., No. 804, p. 109

Levied an additional fee (court cost) of $2 in municipal cases and in district and circuit court criminal and civil cases (excluding parking violations and small claims cases), in bond forfeiture proceedings, upon initiation of attachment, garnishment or execution proceedings and upon the issuance of any alias or capias warrant of arrest. The fee is to be deposited to the Alabama DNA Database Fund, to be used by the Director of the Alabama Department of Forensic Sciences for the exclusive purposes of Act 94-804.

Acts 1995, No. 401, p. 835

Amended Act 94-694 to clarify that "county court costs and fees" referenced in that act means court costs and fees in the district court of the county.

Acts 1995, No. 509, p. 1018

Amended Act 93-133 to remove the October 1, 1995 termination date.

Acts 1995, No. 544, p. 1142

Provided for district attorney's fee upon conviction of violation of game and fish laws, in the same manner as taxed in other cases involving criminal violations in the district court. (See Act 35-240 and Act 45-449.)

Acts 1995, No. 733, p. 1567

Levied an additional fee of $100 upon conviction in any state or municipal court of certain drug offenses, with the additional fee to be deposited, after deduction of a 1% administrative fee, in the Alabama Forensic Services Trust Fund, a revolving fund created by this act, to be expended by the Alabama Department of Forensic Sciences.

Acts 1996, No. 752, p. 1323

Increased the jurisdictional limits of small claims courts from $1,500 to $3,000 effective July 1, 1996, but provided that docket fees for cases in small claims court in which the matter in controversy exceeds $1,500 shall be the same as the docket fees for cases in the district court that are not small claims cases.

Acts 1997, No. 945, p. 515

Increased from $10 to $30 the criminal history processing fee levied by Act 92-677 (see above) and provided that the additional $20 fee be distributed (1) $3 to the Public Safety Automated Fingerprint Identification (AFIS) Fund; (2) $2 to the Court Automation Fund of the Unified Judicial System; (3) $10 to the Criminal Justice Information System (CJIS) Automation Fund (which was created in this act); and (4) $5 to the Forensic Services Fund.

Acts 1998, No. 671, p. 1475

Provided that court clerks remit fines collected for driving while license is suspended, cancelled or revoked or without a license directly to the State Comptroller (rather than to the Director of Public Safety), that the $50 penalty levied in such cases be automatic (need not be specifically assessed by the judge), and that the fee be collected in municipal court cases.

Acts 1999, No. 427, p. 759

Increased docket fees as follows: small claims cases filed in district court from $25 to $35; civil cases filed in district court from $74 to $109; civil cases filed in circuit court from $110 to $145; traffic infractions in district court from $62 to $97; misdemeanors and municipal ordinance violations in district and circuit courts from $87 to $122; felonies in district and circuit courts from $155 to $190; juvenile cases from $55 to $90; bond forfeiture in district and circuit courts from $35 to $70. The amounts above included the additional $5 increase which became effective October 1, 2000. The initial increase (the current fee amount minus $5 for each case type) was effective June 10, 1999. Except for small claims cases filed in district court and civil cases filed in circuit court, the act provided that the immediate increases be deposited as follows: $9 to the Fair Trial Tax Fund; $16 to the State General Fund; $5 to the Advanced Technology and Data Exchange Fund (which was created by this act); and effective October 1, 2000, that the additional $5 be deposited into the Fair Trail Tax Fund. In small claims cases, the $5 increase, effective June 10, 1999, and the additional $5 increase which became effective October 1, 2000, are deposited into the Fair Trial Tax Fund. The increased fees in civil cases in circuit court are distributed as follows: $13 to the Fair Trial Tax Fund; $12 to the State General Fund; $5 to the Advanced Technology and Data Exchange Fund and effective October 1, 2000, an additional $5 to the Fair Trial Tax Fund. The act also increased by $30 costs assessed in municipal courts upon conviction of a municipal violation. Costs for a traffic violation increased from $42.50 to $72.50 and costs for a non-traffic violation from $76 to $106. The cost increase is distributed as follows: $9 to the Fair Trial Tax Fund; $2 to the municipal general fund; $3 to the Advanced Technology and Data Exchange Fund; and $16 to the State General Fund.

Acts 2000, No. 746, p. 1667

Provided that court costs assessed against persons convicted of game and fish violations would not exceed the fine for the violation, except for convictions for night hunting or hunting on the lands of another. Does not apply where court costs are by constitutional amendment or where such costs are pledged for the repayment of bonds.

Acts 2000, No. 800, p. 1901

Provided that the $1.50 to the Department of Public Safety for implementation of the Commercial Driver's License program, of the total of $8.50 deposited to the Drivers' Fund (pursuant to Act 1991-824), shall, effective October 1, 2000, instead be transferred to the Highway Traffic Safety Fund for law enforcement purposes.

Acts 2003, No. 402, p. 1170

Provided that the $35 fee for report of sales of abandoned automobiles (see Act 1976-564) shall not apply if the funds paid for such sales are equal to or less than $35.

Acts 2004, No. 636, p. 1452

Increased docket fees as follows:

- Civil cases filed in district court in which the amount of controversy exceeds $3,000 but does not exceed $10,000 from $109 to $198
- Civil cases, other than domestic relations and cases in which the matter of controversy does not exceed $50,000, filed in circuit court from $145 to $297
- Civil cases in circuit court in which the matter of controversy exceeds $50,000 from $145 to $197
- Modification or enforcement of an existing domestic relations court order from $145 to $248
- Jury demand fee from $51 to $100
- Witness subpoena from $8 to $12
- Attachment from $15 to $28
- Garnishment from $15 to $28
- Execution from $7 to $28

Added fees as follows:

- $50 for each additional plaintiff (not more than $500 regardless of the number of additional plaintiffs) for civil cases in district court

- $297 for a counterclaim, cross claim, third party complaint, third party motion or an action for a declaratory judgment filed in a civil action in circuit court
- $297 for a motion or complaint to appear as an intervener or a third party plaintiff in a civil action in circuit court other than cases filed on a domestic relations docket
- $100 for each additional plaintiff (not more than $1,000 regardless of the number of additional plaintiffs) for civil cases (other than domestic relations) in circuit court
- $50 for a dispositive motion

The fee increases or additions were distributed to the following funds:

- State General Fund
- Fair Trial Tax Fund
- Advanced Technology and Data Exchange Fund
- County General Fund
- DNA Database Fund

Acts 2006, No. 414, p. 1027

Repealed Section 12-19-76, which provided for a circuit court fee for the filing of a report of the sale of an abandoned motor vehicle, if applicable. (See Act 1976-564 and Act 2003-402.)

COMPARISON WITH NEIGHBORING STATES:

Florida

Court structure is similar to Alabama's Unified Judicial System. The various fees, fines and other court costs of the Florida State Court system are primarily deposited into the Florida Clerks of Court Operations Corporation. Those funds are then used to fund the clerks of court and any excess is sent to the general revenue fund. Certain costs and fees are earmarked by law to fund programs and agencies and they go directly to a discrete trust fund for those programs. Other filing fees and costs are designated to go directly to general revenue. The state provides for specified elements of the court system from state revenues, such as judges, juror compensation and expenses for court administration and court management.

Georgia

Georgia's judicial system is not a unified system. The state appropriates funds to operate the appellate courts and provides a portion of the funds required to operate the general jurisdiction trial courts (Superior Courts). The remaining trial courts are funded entirely by county governments.

Mississippi

The state appropriates judicial and district attorney salaries and expenses. For the Supreme Court and appellate court cases, costs are collected by the trial clerks and disbursed to appropriate court officials and a filing fee is deposited to a special fund administered by the Supreme Court Clerk's office. In the County Circuit and Chancery Courts, the fines, fees, and other related costs are paid into the county treasury in which the court is located.

Tennessee

For the Supreme Court and courts of appeal, the various fees and fines, after deducting salary expenses for clerks and deputies, are deposited into the state treasury to be expended for court automation. The fines and fees from the lower courts accrue to the state and the counties depending on the nature of the case. The general rule, with exceptions, is that fines collected in felony cases go to the state, while fines collected from misdemeanor cases go to the counties. Those accruing to the state are collected by the Commissioner of Revenue, while others are paid to county trustees.

LEASING OR RENTING OF TANGIBLE PERSONAL PROPERTY

STATUTORY AUTHORITY:

Sections 40-12-220 through 40-12-227 and 40-9-30, Code of Alabama 1975, as amended.

TAX BASE:

Privilege tax on persons engaging in leasing or renting tangible personal property.

TAX RATE:

4% of gross proceeds from leasing or renting tangible personal property; 1.5% of gross proceeds from renting or leasing automotive vehicles, truck trailers, semitrailers, or house trailers; 2% of gross proceeds from renting or leasing linens and garments. Gross proceeds on which the tax is calculated includes any of the tax passed on to a lessee by a lessor.

COLLECTIONS:

By the Department of Revenue on the 20th of each month.

Fiscal Year	Collections ($)*	Percent Change
2007-08	70,008,711	(0.94)
2006-07	70,675,420	2.55
2005-06	68,915,229	6.69
2004-05	64,596,549	5.79
2003-04	61,060,995	(2.82)

* Gross collections.

Source: Department of Revenue's "Revenue Abstract."

MAJOR EXEMPTIONS:

(1) Any leasing or rental, as lessor, by the state or any municipality or county in the state or any public corporation.

(2) The renting or leasing of oxygen or durable medical equipment to a recipient of benefits under the Medicare or Medicaid program (Section 40-9-30 of the Code of Alabama 1975).

A listing of additional exemptions is found in Section 40-12-223 Code of Alabama 1975.

DISTRIBUTION:

Proceeds remaining after payment of the expenses of administration and enforcement are distributed to the State General Fund.

LEGISLATIVE HISTORY:

Acts 1971, 1st Ex. Sess., No. 96, p. 166

Established tax at current rates; provided that all proceeds of the tax be deposited to the Education Trust Fund.

Acts 1988, 2nd Ex. Sess., No. 955, p. 680

Changed distribution of tax to 60% to the State General Fund and 40% to the Education Trust Fund.

Note: This act was contingent upon enactment of HB 45 that amended Alabama state income tax law to conform to federal income tax regarding interest deductions and deductions for entertainment, meals and travel, resulting in increased receipts to the Education Trust Fund. The conformity bill became Act 88-954.

Acts 1999, 2nd Ex. Sess., No. 650, p. 96

Changed the distribution of tax to current distribution effective January 1, 2001.

Note: This act was contingent upon enactment of a bill to substantially conform state income tax law to federal law relating to the determination of taxable income for corporations and the ratification of a Constitutional Amendment to increase the income tax on corporations to 6.5%. The conformity bill became Act 99-664 and the amendment was ratified and designated Amendment No. 662, now appearing as Section 211.03 of the Official Recompilation of the Constitution of Alabama of 1901, as amended.

Acts 2001, No. 636, p. 1242

Clarified that the tax may be passed on to the lessee by adding the tax to the leasing price, but if the tax is added it must be included in the gross proceeds subject to the tax. Retroactive to January 1, 1988.

COMPARISON WITH NEIGHBORING STATES:

Florida

Annual sales tax rate of 6% applies to rental and leasing of tangible personal property. The lease of power driven farm equipment used for farm or in a forest is exempt. All rentals to non-profit organizations are exempt.

Georgia

General sales tax rate of 4% applies to rental and leasing of tangible personal property.

Mississippi

Income from renting or leasing tangible personal property used within the state is taxed at same rate as sales of the same property (1%-7%). In addition to the 5% sales tax due on the rental of motor vehicles a 6% motor vehicle rental tax is due on the gross income from the short-term rental of motor vehicles, for a total tax due on short term rentals of motor vehicles of 11%. Income received from renting or leasing of truck tractors and semitrailers used in interstate commerce and registered under the International Registration Plan (IRP) or any similar reciprocity agreement is taxed at the rate of 3% of the portion of the rental or lease that is attributable to the usage of the truck tractor or semitrailer in Mississippi. The total amount charged for "you-haul-it" vehicles is taxable, even though the lessee may use the property in multiple cities in Mississippi or in other states. The tax rate for these vehicles is 4% for vehicles with a gross vehicle weight (GVW) in excess of 10,000 pounds. Such vehicles with a GVW of 10,000 pounds or less are subject to tax at the rate of 5% for sales tax and the additional 6% motor vehicle rental tax.

Tennessee

General state sales tax rate of 7% and a local option tax (which varies from 1% to 2.7%) imposed by city and/or county governments applies to rental and leasing of tangible personal property. Generally, the local option tax is required only on the first $1,600 of the cost of statutorily defined single articles of tangible personal property. Effective January 1, 2008 the definition of lease and rental does not include transfers of property under an agreement entered into on or after January 1, 2008 that requires the transfer of title upon completion of all payments and the payment of an option price that does not exceed the greater of $100 on 1% of the total payments.

LIQUEFIED PETROLEUM GAS BOARD PERMIT FEES

STATUTORY AUTHORITY:

Sections 9-17-100 through 9-17-110 Code of Alabama 1975, as amended.

TAX BASE:

Any person engaging or continuing in the business of (1) selling, distributing, storing or transporting liquefied petroleum gases; (2) selling, installing, servicing, repairing, removing or adjusting liquefied petroleum gas containers, tanks or systems; (3) performing magnetic, hydrostatic, visual or X-ray inspections of liquefied petroleum gas storage containers, cargo tanks, motor fuel containers, and cylinders; or (4) repairing and calibrating liquefied petroleum gas meter equipment in the State of Alabama must obtain at least one of ten types of permits.

TAX RATE:

Permits	Initial Fee	Renewal Fee
(1) Permit A-Retail businesses	$300	$200
(2) Permit B-Wholesale businesses or retail sales of 5,000 gallons or more	$300	$200
(3) Permit B1-Individual branch or division or agent of Class A permit holder	$100	$100
(4) Permit C-Installation, service and repair businesses	$50	$50
(5) Permit C1-Repair of LP carburetion equipment	$50	$50
(6) Permit C2–Inspections	$100	$100
(7) Permit D-Service and repair businesses for bulk storage systems of 5,000 gallons or more	$250	$250
(8) Permit E-Calibration and repair of meters	$50	$50
(9) Permit F-Filling LP gas cylinders and/or motor fuel containers of less than 351 pounds water capacity	$100	$100
(10) Permit F1-Selling, filling or transporting welding or cutting gases, limited to 40,000 gallons of LP gas each year	$100	$100

Other Charges:

(1) $100 cash surety payment into LP Gas Recovery Fund paid upon application for permits. After initial payment, any additional annual payments depend upon balance in the LP Gas Recovery Fund. In any one year, the maximum payment is $100.

(2) Class A and B1 permit holders pay an LP Gas fee established by the Board not to exceed $.005 per gallon, which is paid only once per gallon. The fee is $.0035 as of December 2008. From October 2005 through November 2008, the fee was $.003. The fee from October 2004 through September 2005 was $.005. (See LEGISLATIVE HISTORY, Acts 2004, No. 489.) The fee before October 2004 was a percent of invoice charge of 0.4%.

(3) Storage plant approval fees of $200 plus an additional $50 for each inspection trip to the site of storage.

(4) Penalty fees for late renewal of permits.

COLLECTIONS:

Fiscal Year	Collections ($)*	Percent Change
2007-08	652,550	(14.46)
2006-07	762,895	2.47
2005-06	744,470	(21.33)
2004-05	946,271	13.11
2003-04	836,600	8.62

*Includes permit fees, LP gas fees, rules and regulations fees, construction plan review fees, reproduction fees, and witness fees.

Source: "Comparative Summary of Revenues by Revenue Source" Report - Comptroller's Office.

DISTRIBUTION:

Liquefied Petroleum Gas Board Fund. All balances in the LP Gas Board Fund in excess of $200,000 at the end of each fiscal year are transferred to the Liquefied Petroleum Gas Research and Education Fund.

LEGISLATIVE HISTORY:

Acts 1965, No. 220, p. 305

Established the Alabama Liquefied Petroleum Gas Board; provided that applicants in the business of selling liquefied petroleum gases pay a permit fee of $.35 per thousand gallons on the first million

gallons sold in the state and $.25 per thousand gallons on all amounts over one million gallons sold; provided for a minimum permit and renewal fee of $200 and a maximum fee of $3,000; and provided all fees collected be deposited to the Liquefied Petroleum Gas Board Fund.

Acts 1979, No. 435, p. 690

Provided for Permits A, B, C, D, and E. (See TAX RATE.)

Acts 1984, No. 293, p. 555

Added Permit F. (See TAX RATE.)

Acts 1986, No. 531, p. 1029

Increased fees for permit holders not otherwise covered under this act from .2% of the cost of the sale to .4% of the cost of the sale.

Acts 1989, No. 535, p. 1097

Added Permit B1. (See TAX RATE.)

Acts 1992, No. 123, p. 213

Increased the limit on balances which may be retained in the LP Gas Board Fund to $200,000.

Acts 1993, No. 632, p. 1079

Created the Liquefied Petroleum Gas Research and Education Fund; and provided that all balances in excess of $200,000 in the LP Gas Board Fund at the end of each fiscal year shall be transferred to the LP Gas Research and Education Fund.

Acts 1994, No. 211, p. 283

Established Permits C1 and C2 and created the Liquefied Petroleum Gas Recovery Fund. (See TAX RATE.)

Acts 1997, No 685, p. 1361

Established Permit F1; and provided further for use of funds in the LP Gas Research and Education Fund. Money in this fund could now be used for grants and contracts to fund research and education programs and to provide rebates for promoting use of LP gas. (See TAX RATE.)

Acts 2004, No. 489, p. 914

Provided for the LP Gas fee to be established by the Board and not to exceed $.005 per gallon, assessed only once per gallon.

COMPARISON WITH NEIGHBORING STATES:

Florida

License Category	Original Application Fee	Annual Renewal Fee
(a) Category I LP gas dealer	$525	$425

License Category	Original Application Fee	Annual Renewal Fee
(b) Category II LP gas dispenser	$525	$375
(c) Category III LP gas cylinder exchange operator (original fee is per location; renewal fee is for first 30 locations; over 30 locations is $50 for each remaining location)	$100	$65
(d) Category IV LP gas dispenser and recreation vehicle servicer	$525	$400
(e) Installer and specialty installer	$300	$200
(f) Dealer in appliances and equipment for use of LP gas	$50	$45
(g) Manufacturer of LP gas appliances and equipment/requalifier of cylinders/ repairer and retester of cargo tanks	$525	$375
(h) Examination fees of $20 for licenses in (a), (b), (d), (e) and (h), above		

Georgia

License fees

(a) 2,000 gallons or less - $100.

(b) more than 2,000 gallons - $500.

Mississippi

$.0025 per gallon distributor tax; and $.001 per gallon sold up to $.005 per gallon sold to fund a propane education program. No permit fees.

Tennessee

		Annual Fee
Class I	May engage in any phase of LP gas business and bulk storage (minimum 30,000 water gallon storage)	$150
Class II	Filling cylinders (minimum 500 water gallon storage or approved vehicle mounted 500 water gallon container)	$35
Class III	Service station operators (refrigeration and/or motor fuel) (Must have a Class II license to receive a license in this class)	$35
Class IV	LP gas refiner: jobber or wholesaler	$150
Class V	LP gas container manufacturer, wholesaler or dealer	$100

LODGINGS (TRANSIENT OCCUPANCY) TAX

STATUTORY AUTHORITY:

Sections 34-27-65 and 40-26-1 through 40-26-21 Code of Alabama 1975, as amended.

TAX BASE:

Privilege tax upon every person or firm that rents or furnishes lodgings or accommodations to transients for a period of less than 180 days for a fee.

TAX RATE:

(1) 5% of the charges for accommodations in the counties comprising the Alabama mountain lakes geographic area: Blount, Cherokee, Colbert, Cullman, DeKalb, Etowah, Franklin, Jackson, Lauderdale, Lawrence, Limestone, Madison, Marion, Marshall, Morgan and Winston.

(2) 4% of the charges for accommodations in all other Alabama counties.

(3) Information on local rates follows LEGISLATIVE HISTORY.

COLLECTIONS:

By the Department of Revenue on the 20th of the month succeeding the month the tax accrues. Vendors who file tax returns on time are entitled to a discount of 5% on the first $100 of tax and 2% on all tax over $100. Penalty charges, plus interest, may also be imposed on vendors who file deficient or delinquent tax returns.

Fiscal Year	Collections ($)	Percent Change
2007-08	47,209,785	5.04
2006-07	44,945,102	9.64
2005-06	40,994,164	14.08
2004-05	35,935,394	7.32
2003-04	33,484,802	2.86

Source: Department of Revenue's "Revenue Abstract."

MAJOR EXEMPTIONS:

(1) Any rentals or services taxed under the sales tax provisions (Sections 40-23-1 through 40-23-38, Code of Alabama 1975).

(2) Rooms, lodgings or accommodations supplied for 180 or more continuous days.

(3) Municipal privilege license taxes levied and collected on gross sales or gross receipts from sales and passed on directly by the seller to the purchaser shall be excluded from gross sales or gross receipts in the computation of this tax.

(4) Proceeds from the sale or resale of any vacation time-sharing lease plan.

(5) Nonprofit or privately operated camps, conference centers, or similar facilities that provide lodging and recreational or educational programs exclusively for the benefit of children, students, or members or guests of nonprofit organizations.

(6) Rooms, lodgings, or accommodations supplied in connection with the production of an approved motion picture project certified by the Alabama Film Office. (Expired September 30, 2006. See LEGISLATIVE HISTORY, Acts 2005, 1st Ex. Sess., No. 305).

DISTRIBUTION:

(1) 20% of the 5% levy collected in Alabama mountain lakes area counties, after deduction of cost for collection, is distributed as follows:

   (a) 50% to the Alabama Mountain Lakes Association for the promotion of tourism and travel.

   (b) 50% to the respective counties for the promotion of tourism, recreation, and conventions.

(2) The balance of the tax collected in mountain lakes area counties, as well as the entire proceeds from the 4% levy, except as provided below, collected in all other Alabama counties, is distributed as follows:

   (a) 75% to the State General Fund.

   (b) 25% to the Bureau of Tourism and Travel for state travel advertising and travel promotion. Of this amount, not more than $10,000 per fiscal biennium may be expended for the Department of Transportation to construct and erect directional markers designating major tourist attractions (Section 23-1-7).

(3) An amount not to exceed $3 million appropriated annually as the Legislature deems necessary and desirable to the Alabama Convention Facilities Fund for state assistance payments under the Alabama Convention Facilities Act (Section 11-100-4(g)).

LEGISLATIVE HISTORY:

Acts 1955, No. 248, p. 586

Established lodgings tax at 3% and provided that all receipts be deposited in the Education Trust Fund for teachers' salaries.

Acts 1956, 1st Ex. Sess., No. 96, p. 142

Provided that the Governor by Executive Order could authorize the Department of Revenue to allow persons subject to the tax, a discount not to exceed 5% of first $100 of tax levied and 2% of the tax levied over $100.

Acts 1963, No. 269, p. 715

Increased lodgings tax to 4% and established the distribution of proceeds: 75% to the Education Trust Fund for payment of teachers' salaries and 25% to the Bureau of Tourism and Travel for state travel advertising and travel promotion.

Acts 1979, No. 604, p. 1068

Increased the lodgings tax rate from 4% to 5% in 16 North Alabama counties which comprise the Alabama mountain lakes area and provided for the distribution of the additional tax proceeds.

Acts 1988, 2nd Ex. Sess., No. 956, p. 681

Changed distribution of the tax proceeds from the Education Trust Fund, for payment of teachers' salaries, to the State General Fund.

Acts 1996, No. 498, p. 629

To the exemptions from the tax, added non-profit camps and conference centers and film projects approved by the Alabama Film Commission that met specified requirements.

Acts 2001, 3rd Ex. Sess., No. 968, p. 865

Extended the number of continuous days, in order to qualify for the lodging exemption, to more than 180 days.

Acts 2001, 3rd Ex. Sess., No. 975, p. 908

Excluded those working in connection with the production of an approved motion picture project certified by the Alabama Film Office until September 30, 2005.

Acts 2005, 1st Ex. Sess., No. 305, p. 610

Amended Act 2001-975 to extend the lodgings tax exemption for motion picture projects approved by the Alabama Film Commission to September 30, 2006.

NOTE REGARDING LOCAL LEVIES:

Several counties and municipalities levy local lodgings taxes. Counties may levy a lodging tax by local legislative act. Municipalities may levy a lodgings tax by local ordinance (per Section 11-51-90 of the Code of Alabama 1975).

COMPARISON WITH NEIGHBORING STATES:

Florida

General sales tax rate of 6% applies to lodgings. Individual counties and certain municipalities may levy additional occupancy taxes, including a tourist development tax on accommodations of 1% or 2%.

Georgia

General sales tax at a rate of 4% applies to lodgings. Counties and municipalities may impose a 3% excise tax for accommodations furnished for 10 or fewer consecutive days; however, the tax can be levied at a rate of 5% or 6% if the revenue is used for specific purposes. In addition, certain counties and municipalities having trade and convention facilities may levy additional taxes up to 6% other counties and municipalities meeting certain criteria may levy a rate up to 8%. The limit on aggregate total charges, fees, etc., is 14%. The tax is collected locally.

Mississippi

General sales tax rate of 7% applies to lodgings. Counties and municipalities may, by special statute, impose an occupancy tax. These taxes are administered by the state.

Tennessee

General sales tax rate of 7% applies to lodgings. Counties and municipalities in general may impose a local occupancy tax capped at 3% pursuant to enabling legislation, depending upon population the local levy may be up to 5%.

MANUFACTURED HOME REGISTRATION FEE

STATUTORY AUTHORITY:

Sections 40-7-1, 40-8-1, 40-11-1(b)(15) and (c)(2) and 40-12-255 Code of Alabama 1975, as amended.

TAX BASE:

Registration fee in lieu of ad valorem taxes on manufactured homes which are rented or leased or located on land owned by someone other than the owner of the manufactured home. (An owner-occupied manufactured home located on land owned by the occupant is subject to ad valorem taxes.)

TAX RATE:

Owner-occupied: $24 single wide/$48 double wide or larger registration fee.

Others: $48 commercial single wide/$96 commercial double wide or larger registration fee.

Registration fees: manufactured homes 10-19 years of age are 75% of those above.

Registration fees: manufactured homes 20 years old or older are 50% of those above.

Issuance (decal) fee: $5.

COLLECTIONS:

By the county official responsible for collection of ad valorem taxes in the county in which the manufactured home is customarily kept, on October 1 of each year.

Fiscal Year	Collections ($)*	Percent Change
2007-08	679,251	(5.47)
2006-07	718,552	(7.01)
2005-06	772,698	(0.44)
2004-05	776,147	(0.85)
2003-04	782,762	(2.43)

*General Fund collections only.

Source: "Comparison of Net Receipts" Report – Comptroller's Office.

EXEMPTIONS:

(1) Manufactured homes considered part of the inventory of a dealer or manufacturer.

(2) Owner occupied manufactured home owned by any person over age 65 or who is totally disabled (issuance (decal) fee must be paid).

(3) Manufactured homes owned by the U.S. Government, the State of Alabama, and county or municipal corporations are exempt from the registration fee.

DISTRIBUTION:

(1) Registration Fee:

(a) 25%-State General Fund.

(b) 25%-County General Fund.

(c) 25%-County School Board-unless home is located in city school district, in which case this percentage goes to the city school board.

(d) 25%-Municipality in which the home is located-unless the home is not located in a municipality, in which case this percentage goes to the County General Fund.

(2) Issuance (decal) Fee:

(a) $4 to County General Fund if the issuing official is on salary, or to the issuing official if compensated by a fee system.

(b) $1 to County treasury for use by the issuing official only for the performance of his or her official duties.

LEGISLATIVE HISTORY:

Acts 1961, Ex. Sess., No. 44, p. 1897

Provided for a license tax of $3 and that house trailers would be assessed in the same manner as motor vehicles for ad valorem tax purposes.

Acts 1988, 1st Ex. Sess., No. 824, p. 265

Removed mobile homes from motor vehicle registration requirements and classified them as residences for ad valorem tax purposes.

Acts 1991, No. 694, p. 1340

Provided for registration fee at current rates in lieu of ad valorem taxes on certain manufactured homes.

Acts 2001, 4th Ex. Sess., No. 1098, p. 1152

Provided that the portion of the issuance fee dedicated for use by the issuing official may be used by the issuing official for performance of his or her official duties.

COMPARISON WITH NEIGHBORING STATES:

Florida

Manufactured homes are taxed as a residence if the land upon which it is located is also owned by the owner of the home. If the manufactured home is on land owned by another, there is an annual registration fee, paid to the Department of Highway Safety and Motor Vehicles, based on the length of the manufactured home, ranging from $20 (up to 35') to $80 (66' and up), plus an additional amount up to $10.60 for miscellaneous state fees.

Georgia

Manufactured homes are taxed as a residence if the land upon which it is located is also owned by the owner of the home. Manufactured home owners are required to pay an $18 title fee to the state to register the home.

Mississippi

Manufactured homes are taxed as personal property if the occupant/owner does not own the land on which the home is located. If the occupant/owner owns the land he has the option of treating the manufactured home as personal property or as a homestead for tax purposes.

Tennessee

Owner of land upon which manufactured home is located pays ad valorem tax on land and home (regardless of who owns manufactured home).

MARRIAGE LICENSE FEE

STATUTORY AUTHORITY:

Sections 12-19-90(b)(32) and 30-6-6 through 30-6-11 Code of Alabama 1975, as amended.

TAX BASE:

A fee for a marriage license.

TAX RATE:

$30, plus an additional issuance fee of $10.

COLLECTIONS:

By probate judges.

Fiscal Year	Collections ($)*	Percent Change
2007-08	1,240,515	(3.74)
2006-07	1,288,672	(0.48)
2005-06	1,294,843	(0.04)
2004-05	1,295,348	1.80
2003-04	1,272,423	(4.50)

*Includes only the $30 that funds domestic violence facilities. Collections shown are prior to the 10% Office of Prosecution Services administrative fee deduction.

Source: "Comparative Summary of Revenues by Revenue Source" Report - Comptroller's Office.

DISTRIBUTION:

The issuance fee is paid into the county treasury (or to the probate judge if authorized or required by law). The license fee is remitted by probate judges to the state treasury to be distributed, based upon population, by the Office of Prosecution Services to domestic violence facilities designated by the district attorneys. (However, in four counties the Office of Prosecution Services sends the county's share to the district attorney who, in turn, distributes it to the domestic violence facility.) The Office of Prosecution Services retains 10% of the $30 as an administrative fee.

The Office retains 60% of the 10% administrative fee or $80,000, whichever is greater, and the remainder is distributed to the Alabama Coalition Against Domestic Violence upon receipt of the report on the status of domestic violence.

LEGISLATIVE HISTORY:

Acts 1911, No. 196, p. 154

Fee for issuance and recording of marriage license set at $1.50.

Acts 1975, No. 556, p. 1259

Increased fee for issuance and recording of marriage license from $1.50 to $5.

Acts 1981, No. 813, p. 1452

Established additional marriage license fee of $5 for support of domestic violence facilities and provided for the distribution.

Acts 1984, No. 446, p. 1040

Increased fee for issuance and recording of marriage license from $5 to $10.

Acts 1987, No. 596, p. 1035

Increased additional marriage license fee for support of domestic violence facilities from $5 to $15.

Acts 1999, No. 589, p. 1344

Increased additional marriage license fee for support of domestic violence facilities from $15 to current rate of $30.

COMPARISON WITH NEIGHBORING STATES:

Florida

$93.50 fee distributed as follows: $32 to county (clerk of court) and $61.50 to State. Of the state share, $25 is deposited to the Domestic Violence Trust Fund to be expended by the Department of Children and Family Services for the funding of domestic violence centers; $25 is deposited to the General Revenue Fund; $7.50 is deposited to the Displaced Homemaker Trust Fund; and $4 is for the Bureau of Vital Statistics. The marriage license fee is reduced by $32.50 for couples completing a 4-hour premarital preparation course within the past year.

Georgia

$51 fee distributed as follows: $35 statutory fee for application (with certification of premarital counseling within the past year this fee is waived); $15 statutory amount to Children's Trust Fund of Georgia; $1 vital records recording fee; plus other fees as established by the county.

Mississippi

$21 fee distributed as follows: $14 to Victims of Domestic Violence Fund; $6 to Circuit Clerk; and $1 to the State of Mississippi (State Board of Health).

Tennessee

$96.50 marriage fee is the most that can be charged for a marriage license. Of the total $82.50 of state fees $60 may be waived if the couple has gone through four hours of marriage counseling within the past year or if the couple is not state residents. If the $60 is not waived it is distributed $7 to the Administrative Office of Courts for funding parenting plan requirements, $15 to the Department of Children's Services for child abuse prevention, $7.50 to the Office of Criminal Justice programs for domestic violence services, $20.50 to the Tennessee Disability Coalition for families and children with disabilities, $3 to the Tennessee Court Appointed Special Advocates Association, $4 to the Department of Education for grants to Boys and Girls Clubs, and $3 to the Tennessee Chapter of the National Association of Social Workers to strengthen services to families and children. Of the remaining $22.50 of the $82.50 in state fees $14.25 is for family violence shelters and child abuse prevention programs, $3.50 is retained by the county clerk, and $4.75 is used for school purposes in the county in which it was collected. Counties may levy an additional county tax of up to $5, to be used for any lawful county purpose specified in the adopting resolution and $9 to cover other marriage issuance related license duties.

MEDICAID PROVIDER TAXES

STATUTORY AUTHORITY:

Sections 40-26B-1 through 40-26B-27 Code of Alabama 1975, as amended.

TAX BASE:

A privilege tax levied on all providers of pharmaceutical services and nursing home care.

TAX RATE:

(1) Pharmaceutical Services - $0.10 per prescription on all prescriptions when filled or refilled for an Alabama citizen.

(2) Nursing Home Facilities - $1,899.96 per year per bed ($999.96, plus supplemental tax of $900 per year per bed effective May 2004 per Acts 2004, No. 532. Prior to this date, the supplemental tax was $200.04 per year per bed).

COLLECTIONS:

Remitted to the Department of Revenue by pharmaceutical providers by the twentieth of each month for the preceding month (except a quarterly return may be authorized for those providers whose total tax liability does not exceed $10 for any month); by nursing home facilities by the tenth of each month.

Fiscal Year	Pharmaceutical	Nursing Homes	Total Collections	% Change
2007-08	8,346,940	50,561,161	58,908,101	2.05
2006-07	8,038,738	49,685,100	57,723,838	1.62
2005-06	7,470,429	49,332,538	56,802,967	(0.44)
2004-05	6,961,662	50,092,134	57,053,796	31.60
2003-04	6,879,253	36,475,701*	43,354,954	15.25

*Collections from the increased supplemental privilege tax per Acts 2004, No. 532 began in June 2004.

Source: "Comparative Summary of Revenues by Revenue Source" Report - Comptroller's Office.

MAJOR EXEMPTIONS:

(1) Nursing facilities/institutions/pharmacies owned or operated by the state or agency of the state or pharmacies serving hospital inpatients.

(2) Facilities providing care to physically or mentally disabled persons who are 18 years of age or less.

DISTRIBUTION:

After deducting the costs of collection, taxes on prescriptions and nursing facilities are credited to the Alabama Health Care Trust Fund and used only by the Alabama Medicaid Agency for matching federal funds available under Title XIX of the Social Security Act (Medicaid) for the Medicaid Program in Alabama. Act 00-772 created the Medicaid Trust Fund, effective October 1, 2000, into which any funds appropriated to the Alabama Medicaid Agency from any source which, at the end of any fiscal year, have not been expended or encumbered may be transferred upon approval of the Director of Finance and the Governor.

LEGISLATIVE HISTORY:

Acts 1987, No. 707, p. 1245

Created the Alabama Mothers and Babies Indigent Care Trust Fund and the Alabama Mothers and Babies Indigent Care Trust Board to administer the fund; and provided that funds from the trust are to be transferred to the Alabama Medicaid Agency to implement the Medicaid program in Alabama. The source of funds to the trust include appropriations, grants, contributions, and donations and transfers from the two state teaching hospitals.

Acts 1991, No. 124, p. 148

Provided for a privilege tax of $.10 per prescription with a retail price of $3 or more on all providers of pharmaceutical services and provided for the distribution of such funds to the Alabama Health Care Trust Fund to be used for indigent health care and operation and maintenance expenses of the Alabama Medicaid Agency. (See NOTE following Act 91-127.)

Acts 1991, No. 125, p. 152

Created the Alabama Health Care Trust Fund as a revolving fund into which Medicaid Provider Taxes are to be deposited. (See NOTE following Act 91-127.)

Acts 1991, No. 126, p. 153

Imposed an annual privilege tax of $999.96 per bed on nursing facilities which have an agreement to participate in the Alabama Medicaid Program. (See NOTE following Act 91-127.)

Acts 1991, No. 127, p. 158

Defined a disproportionate share hospital and levied a privilege tax on them at the rate of 65% of their Medicaid occupancy, with the annual tax due to be determined by the Alabama Medicaid Agency; and provided for the Medicaid Agency to develop methodology for reimbursement to disproportionate share hospitals. The act had a "hold harmless provision" (subsequently disallowed by the federal government and

eliminated in Act 92-440) providing a reserve from which hospitals were to be assured a disproportionate share reimbursement not less than the taxes paid each fiscal year.

NOTE:

Pursuant to PL 102-234, the provider specific taxes levied in 1991 and described above were disallowed by the federal Health Care Financing Administration as an approved method of financing the state share of financial participation in the Medicaid program. Broad-based taxes (a uniform tax on those in the same provider class) were given federal approval and were subsequently enacted in the 1992 Regular Session.

Acts 1992, No. 418, p. 849

Defined a public hospital and provided for a monthly transfer of funds, in lieu of a tax, to be made by all public hospitals to the Alabama Medicaid Agency, in an amount to be determined by the Medicaid Agency, to be credited to the Alabama Mothers and Babies Indigent Care Trust Fund. Effective January 10, 1993 through September 30, 1995.

Acts 1992, No. 440, p. 871

Amended the provider tax on nursing homes to provide that the tax shall be on all such facilities; levied a tax on all nonpublic hospitals; excluded public hospitals, state-owned teaching hospitals, and certain rehabilitation facilities; and provided for the Alabama Medicaid Agency to make an annual determination regarding the methodology of disproportionate share reimbursement to hospitals and guaranteed that such amount would never be less than the 1992 level. Effective January 10, 1993 through September 30, 1995.

Acts 1993, No. 314, p. 471

Repealed the hospital tax and provided for a refund to those nonpublic hospitals which were paying the tax under Act 92-440, for the month of April 1993 and thereafter; repealed the criteria for a disproportionate share hospital (DSH); established that the Medicaid Agency will, at the beginning of each fiscal year, promulgate regulations regarding disproportionate share reimbursements to disproportionate share hospitals (criteria for defining these DSH hospitals will also be developed by the Medicaid Agency, in accordance with federal guidelines); and provided that DSH payments to hospitals would not be less than the DSH cap established by the federal Health Care Financing Administration ($147 million) which was the 1992 level.

Acts 1997, 1st Ex. Sess., No. 901, p. 277

Levied a supplemental privilege tax of an additional $200.04 per bed annually, effective until December 31, 1999, on every nursing facility in the state. (Act 99-409 deleted the expiration date.) Authorized the Department of Revenue, upon the advice of the Alabama Medicaid Agency, to reduce this supplemental privilege tax if such reduction is required to ensure that the total revenues from the aggregate of this

supplemental privilege tax and the privilege tax during the fiscal year are less than or equal to 6% of the total revenues received by the nursing facilities subject to the tax.

Acts 1999, No. 409, p. 729

Deleted the provision in Act 97-901 which provided that the privilege tax on nursing facilities would expire on December 31, 1999.

Acts 2002, No. 414, p. 1058

Effective July 1, 2002, provided that Alabama citizens would pay a privilege tax of $.10 on all prescriptions filled in the state. Removed the prescription cost $3.00 or more.

Acts 2004, No. 532, p. 1120

Increased the supplemental privilege tax for each bed in a nursing home facility from $200.04 per bed to $900 per bed making the total annual privilege tax $1,899.96 per bed in a nursing facility; and increased the nursing facility provider's cap on reportable cost per patient from cost plus 10% to cost plus 11%.

NOTE: Effective October 1, 1995, federal rules limited DSH payments to the cost of uncompensated care, with the exception of "high" DSH hospitals which can be paid a greater amount.

COMPARISON WITH NEIGHBORING STATES:

Florida

A levy of 1.5% of the annual net operating revenue for inpatient services and 1% of the annual net operating revenue for outpatient services for each hospital and other health care providers including ambulatory surgical centers, clinical labs, freestanding radiation therapy centers, and diagnostic imaging centers.

Georgia

No provider tax.

Mississippi

A tax per occupied bed in nursing home facilities and intermediate care facilities for the mentally retarded levied at the rate of $3.25 per day per bed collected on a quarterly basis.

Tennessee

No provider taxes in Tennessee specifically designated for Medicaid; however nursing homes are assessed $2,225 per year per licensed bed; Mental Retardation facilities annual renewal fees shall not exceed 25% of the total licensure and annual renewal fees set by the board for all other health care organizations. Health Maintenance Organizations are assessed 2% of enrollee revenue; and Preferred Provider Organizations are assessed 2% of enrollee revenue. All revenues from assessments are credited to the state's general fund.

MINERAL DOCUMENTARY TAX

STATUTORY AUTHORITY:

Sections 40-20-30 through 40-20-37 Code of Alabama 1975, as amended.

TAX BASE:

Tax levied upon: (1) the filing and recording of every lease creating a leasehold interest in and to any non-producing oil, gas, or other minerals in, on, or under land situated in Alabama or whereby any interest is extended beyond the term fixed by the original instrument; and (2) upon every deed, instrument, transfer, or evidence of sale conveying interest in or right to receive royalties from such property.

TAX RATE:

$.05 per acre conveyed for terms of 10 years or less; $.10 per acre for terms of 10 years and one day to 20 years; and $.15 per acre for terms of 20 years and one day or more; $1 minimum tax.

COLLECTIONS:

By the probate judge of the county where the lands are situated upon the filing of such instrument for record.

Fiscal Year	Collections ($)*	Percent Change
2007-08	50,427	56.54
2006-07	32,214	5.73
2005-06	30,469	(15.38)
2004-05	36,008	(79.71)
2003-04	177,438	110.40

*State General Fund collections only.

Source: "Comparison of Net Receipts" Report - Comptroller's Office.

MAJOR EXEMPTIONS:

This tax is in lieu of ad valorem taxes and does not apply to any mortgage or instrument creating a lien upon such interest, nor to sale under foreclosure.

DISTRIBUTION:

After deducting 5% for cost of collection, the Mineral Documentary Tax proceeds are distributed as follows: 30% to the State General Fund; 35% to the County General Fund of the county in which the interest is located; and 35% to the County Public School Fund.

LEGISLATIVE HISTORY:

Acts 1957, No. 261, p. 332

Established the Mineral Documentary Tax at current rates and distribution.

COMPARISON WITH NEIGHBORING STATES:

Florida, Georgia and Tennessee

No comparable taxes.

Mississippi

$.03 per acre conveyed for 10 years or less; $.06 per acre conveyed for 10 years and one day to 20 years; $.08 per acre conveyed for more than 20 years; $1 minimum tax.

MORTGAGE RECORD TAX

STATUTORY AUTHORITY:

Sections 40-22-2 through 40-22-12 Code of Alabama 1975, as amended.

TAX BASE:

License or privilege tax for filing a mortgage, deed of trust, contract of conditional sale, or similar instrument given to secure payment of any debt which conveys any real or personal property in Alabama, or any interest therein or security agreement or financing statement provided for by the Uniform Commercial Code. Also, see Code for tax on amount of future indebtedness incurred under the terms of the presently taxed instrument.

TAX RATE:

$.15 for each $100 of indebtedness, or fraction thereof.

COLLECTIONS:

By the probate judge of the county when and where the instrument is offered for recording.

Fiscal Year	Collections ($)*	Percent Change
2007-08	38,695,118	(14.40)
2006-07	45,204,637	3.98
2005-06	43,472,312	16.86
2004-05	37,201,058	1.68
2003-04	36,585,728	(4.79)

*General Fund collections only.

Source: "Comparison of Net Receipts" Report - Comptroller's Office.

MAJOR EXEMPTIONS:

(1) The tax is not collected from any bank in the state unless it is collected uniformly on all banks throughout the state.

(2) Production credit corporations or any corporation engaged exclusively in making farm or crop loans are exempt.

(3) Organizations whose sole purpose is to conduct religious activities are exempt.

(4) Security agreements or financing statements relating solely to security interests in accounts, contract rights or general intangibles as defined by the Uniform Commercial Code are exempt.

(5) The re-recording of mortgages or other such instruments to correct errors for the purpose of perfecting the title to real or personal property are exempt.

(6) Mortgages relating to issuing or securing obligations and conveying title into or out of a public authority or a county or municipality with respect to private use industrial property may be abated.

DISTRIBUTION:

After 5% is deducted for cost of collection by the Probate Judge, the Mortgage Record Tax proceeds are distributed as follows: 2/3 to the State General Fund; 1/3 to the county treasury.

LEGISLATIVE HISTORY:

Acts 1935, No. 194, p. 256

Established Deed Record Tax at present rates.

Acts 1947, No. 181, p. 66

Provided that the tax would not be collected on any bank unless applicable to all banks.

Acts 1951, No. 540, p. 953

Exempted production credit corporations and associations.

Acts 1951, No. 816, p. 1449

Provided for tax due on previously exempted instruments which upon transfer would no longer be exempt.

Acts 1953, No. 770, p. 1031

Provided for recordation process for exempt instruments; changed reference from State Tax Commission to the Department of Revenue.

Acts 1953, No. 841, p. 1131

Exempted corporations or associations engaged in making farm or crop loans.

Acts 1965, No. 549, p. 811

Created the Uniform Commercial Code and related existing mortgage record tax to new law.

Acts 1969, No. 503, p. 960

Provided that the exemption relating to farm or crop loan instruments also be applied to instruments of like character executed to corporations under the Federal Farm Loan Act as amended by the Farm Credit Act of 1933.

Acts 1977, No. 671, p. 1152

Provided an alternative procedure for recording future indebtedness by banks, savings and loans and insurance companies.

Acts 1981, No. 662, p. 1078

Extended base of tax to include open-ended or revolving indebtedness at an amount not to exceed $.15 for each $100 of maximum principal indebtedness to be secured by such instrument.

Acts 1987, No. 816, p. 1630

Exempted re-recordation instruments which are made to correct errors.

COMPARISON WITH NEIGHBORING STATES:

Florida

A Documentary Excise Tax is imposed on mortgages at a rate of $0.35 per $100 or fraction thereof of face value.

Georgia

An Intangible Recording Tax is imposed on debts of more than three years which are secured by real estate. Rate: $1.50 per $500 of face value of the loan. The maximum tax on any single loan is $25,000.

Mississippi

No comparable tax.

Tennessee

A Mortgage Tax is imposed on any instrument evidencing an indebtedness of greater than $2,000. Rate: $0.115 per $100 of amount secured over $2,000. The maximum tax is $500,000 for any real or personal property constructed for the principal purpose of manufacturing a product.

MOTOR CARRIER MILEAGE TAX

CONSTITUTIONAL PROVISIONS:

Amendment No. 93 to the Constitution of Alabama of 1901, as amended by Amendment No. 354, now appearing as Section 111.06 of the Official Recompilation of the Constitution of Alabama of 1901, as amended

Amendment No. 93 (proclaimed ratified November 19, 1952) provided that no monies derived from any fee, excise or license tax, levied by the state, relating to (1) registration, operation, or use of vehicles or (2) fuels used for propelling vehicles except pump taxes shall be expended for any purpose other than administration of said laws, cost of construction, reconstruction, maintenance and repair of public highways and bridges, costs of highway rights of way, payment of highway obligations, the cost of traffic regulation, and the expense of enforcing state traffic and motor vehicle laws. Amendment No. 354 (proclaimed ratified November 10, 1976) expanded upon Amendment No. 93 to allow for the distribution of proceeds from charges for personalized license plates or tags in any manner prescribed by the Legislature.

NOTE: The above restriction does not apply to fees and taxes levied by counties and municipalities pursuant to authority granted by the state.

STATUTORY AUTHORITY:

Sections 40-19-1 through 40-19-17 Code of Alabama 1975, as amended.

TAX BASE:

Mileage tax levied on every motor carrier for hire that is used in transportation of persons along the highways of Alabama.

TAX RATE:

Seating Capacity of Vehicle:	Tax Rate:
Not less than 9 nor more than 16	$.0025 per mile
17 to 21	$.005 per mile
22 to 25	$.0075 per mile
Greater than 25	$.01 per mile

COLLECTIONS:

By the Department of Revenue on or before the 15th of each month.

Fiscal Year	Collections ($)	Percent Change
2007-08	45,860	7.69
2006-07	42,587	(11.05)
2005-06	47,879	(11.56)
2004-05	54,138	(14.88)
2003-04	63,603	(7.84)

Source: Department of Revenue's "Revenue Abstract."

DISTRIBUTION:

Proceeds are deposited into the Motor Carrier Fund. After costs of collection of the Department of Revenue and the Public Service Commission are deducted, the remaining proceeds are then transferred into the State Public Road & Bridge Fund.

MAJOR EXEMPTIONS:

(1) Tour buses.

(2) "Chartered party" vehicles used in support of a "charter party" contract in compliance with International Registration Plan requirements.

LEGISLATIVE HISTORY:

Acts 1931, No. 273, p. 303

Established motor carrier mileage tax at the following rates: 16 passengers or less, $.0025 per mile; 17 to 20, $.005 per mile; 21 to 25, $.0075 per mile; 26 or more, $.01 per mile.

Acts 1939, No. 664, p. 1050

Tax on passenger capacity changed to the following rates: to 16 or less, $.0025 per mile; 17 to 21, $.005 per mile; 22 to 25, $.0075 per mile; 26 or more, $.01 per mile.

Acts 1961, No. 673, p. 923

Eliminated the mileage tax on motor vehicles transporting property for hire and changed the $.0025 per mile rate from the previous capacity of 16 passengers or less, to a capacity of 9 to 16 passengers.

Acts 1992, 2nd Ex. Sess., No. 710, p. 205

Exempted tour buses and "chartered party" vehicles.

COMPARISON WITH NEIGHBORING STATES:

Florida, Georgia, Mississippi and Tennessee

No comparable taxes.

MOTOR FUELS (DIESEL) TAX (AND MOTOR CARRIER FUEL TAX)

CONSTITUTIONAL PROVISIONS:

Amendment No. 93 to the Constitution of Alabama of 1901, as amended by Amendment No. 354, now appearing as Section 111.06 of the Official Recompilation of the Constitution of Alabama of 1901, as amended

Amendment No. 93 (proclaimed ratified November 19, 1952) provided that no monies derived from any fee, excise or license tax, levied by the state, relating to (1) registration, operation, or use of vehicles or (2) fuels used for propelling vehicles except pump taxes shall be expended for any purpose other than administration of said laws, cost of construction, reconstruction, maintenance and repair of public highways and bridges, costs of highway rights of way, payment of highway obligations, the cost of traffic regulation, and the expense of enforcing state traffic and motor vehicle laws. Amendment No. 354 (proclaimed ratified November 10, 1976) expanded upon Amendment No. 93 to allow for the distribution of proceeds from charges for personalized license plates or tags in any manner prescribed by the Legislature.

NOTE: The above restriction does not apply to fees and taxes levied by counties and municipalities pursuant to authority granted by the state.

STATUTORY AUTHORITY:

Sections 40-17-1 through 40-17-22, 40-17-220 through 40-17-225, 40-17-240, 40-17-250, and 40-17-300 through 40-17-308 (Motor Fuel (diesel)); and Sections 40-17-140 through 40-17-155 (Motor Carrier Fuel) Code of Alabama 1975, as amended.

TAX BASE:

Excise tax placed on each distributor or supplier for use of motor fuel not exempted by statute (Motor Fuel (diesel) Tax). "Motor Fuels" include diesel oil, tractor fuel, gas oil, kerosene, or jet fuel. Excise tax upon motor carriers who operate or cause to be operated motor vehicles on any highway in Alabama (Motor Carrier Fuel Tax).

TAX RATE:

The State of Alabama collects two separate levies, of $.13 and $.06 which total $.19 per gallon. Excise tax on motor carriers is the same rate per gallon as currently in effect for motor fuel ($.19 per gallon). Motor carriers liable for payment of the motor carrier fuel tax also pay an annual fee per vehicle for a motor vehicle identification marker (decal) paid January 1, or a fee for a 7-day trip permit. The annual decal fee and the 7-

day trip permit fee are set by the Commissioner of Revenue based on the costs of administering the International Fuel Tax Agreement (IFTA). The 7-day trip permit fee is $20 and the IFTA decal is $18 annually.

COLLECTIONS:

By the Department of Revenue on or before the 20th of each month (motor fuel tax), before the last day of April, July, October and January (motor carrier fuel tax).

Fiscal Year	$.13	$.06 *	Truck Decals	Total**	% Change
2007-08	103,545,867	47,790,268	741,263	152,077,398	(1.75)
2006-07	105,499,304	48,676,917	610,215	154,786,436	(2.44)
2005-06	107,894,951	49,802,745*	957,211	158,654,907	6.63
2004-05	101,971,503	45,871,335*	953,320	148,796,158	16.17
2003-04	97,122,115	29,934,752	1,022,797	128,079,664	8.04

*The tax rate changed from $.04 to $.06 effective October 1, 2004.

**The figures are net, that is after deduction of motor fuels and IFTA tax refunds. Figures shown are prior to deduction of Department of Revenue administrative expenses. Includes motor fuel excise taxes, IFTA taxes, truck decals (includes one-time trip permits) and one-time motor fuel distributor fees pursuant to Section 40-12-193.

Source: State of Alabama, Department of Revenue, Motor Fuels Section.

MAJOR EXEMPTIONS:

(1) From the $.13 and the $.06 Motor Fuels Taxes:

- (a) Motor fuel used in vehicles that are not operated on the public highways of Alabama.
- (b) Class I municipalities (Birmingham).
- (c) Class II municipalities (Mobile).
- (d) Private and parochial school systems and city and county boards of education.
- (e) Alabama Institute for the Deaf and Blind.
- (f) Department of Youth Services School District.
- (g) Motor fuel used to propel aircraft.

(2) From the $.06 Motor Fuels Tax:

- (a) Motor fuel used for agricultural purposes.
- (b) Motor fuel sold to governing bodies of counties or municipalities.
- (c) Motor fuel used to propel ships, vessels, barges, railroad locomotives and other railroad equipment.

(3) From the Motor Carrier Fuel Tax:

(a) Any department, board, bureau, commission or taxing area or other agency of the federal government, of the State of Alabama or any political subdivision thereof.

(b) Any school bus operated by the State of Alabama, any political subdivision thereof, or any private or privately operated school or schools.

DISTRIBUTION:

Effective October 1, 2004, after deduction of the cost of collection, proceeds are distributed as follows:

$.13 tax:

(1) For the repayment of Highway Authority Bonds.

(2) For the construction and maintenance of public roads and bridges.

$.06 tax:

(1) 4.69% distributed equally among each of the 67 counties for public road and bridge purposes.

(2) .93% allocated among incorporated municipalities for public road and bridge purposes as follows:

(a) 45.45% of the municipalities' share is allocated equally among the counties.

(b) 54.55% of the municipalities' share is allocated among the 67 counties on the basis of population.

(c) The amount allocated to each county is distributed among the municipalities with the county on the basis of population.

(3) The balance is credited to the Department of Transportation for highway purposes.

However, for the first five full fiscal years after October 1, 2004, if the distributions to the counties and municipalities provided above are insufficient to ensure in combination with the distributions provided by petroleum inspection fees, that the counties and municipalities receive no less than the distributions received for fiscal year 2003 under the previous provisions of the petroleum inspection fee (see AGRICULTURE FEES-Petroleum Inspection Fees), then the above percentages will be adjusted accordingly. After the first five full fiscal years, the above percentages will not be adjusted.

Prior to October 1, 2004, after the deduction of the cost of collection, all proceeds were credited to the Department of Transportation to be allocated:

(1) For the repayment of Highway Authority Bonds.

(2) For the construction and maintenance of public roads and bridges.

LEGISLATIVE HISTORY:

Acts 1939, No. 590, p. 958

Established motor fuels tax at $.06 per gallon.

Acts 1955, 1st Ex. Sess., No. 42, p. 64

Increased motor fuels tax rate to $.07 per gallon.

Acts 1961, No. 674, p. 925

Provided further for the taxation of gasoline and/or motor fuel, sold to or withdrawn from storage or used in the state by motor carriers by establishing a separate excise tax on motor carrier fuel; and provided for a one-time $1 registration fee for motor carriers liable for the tax.

Acts 1971, No. 1408, p. 2403

Increased registration fee for motor carriers liable for the motor carrier fuel tax to current rate.

Acts 1971, No. 1727, p. 2889

Increased motor fuels tax rate to $.08 per gallon.

Acts 1980, No. 427, p. 590

Levied an additional excise tax of $.04 per gallon on gasoline, motor fuel and lubricating oil.

Acts 1992, No. 205, p. 503

Levied an additional excise tax of $.05 per gallon on motor fuel (diesel).

Acts 1994, No. 586, p. 1078

Changed the fee for annual and 7-day trip permits from $12 to an amount to be set by the Commissioner of Revenue. (See TAX RATE.)

Acts 2004, No. 546, p. 1164

Effective October 1, 2004, exempted diesel fuel subject to state excise taxes from the $.02 per gallon inspection fee; levied an additional $.02 per gallon excise tax on motor fuel; and further provided for the distribution of revenues from the inspection fees and excise taxes on motor fuels.

COMPARISON WITH NEIGHBORING STATES:

Florida

An excise tax on motor fuel of $.04 per gallon. An additional fuel sales tax is imposed at a rate adjusted annually based on the Consumer Price Index. The additional rate may not be less than $.069 per gallon. Effective January 1, 2004, the total rate is $.149 per gallon.

Georgia

Motor fuel tax rate is $.075 per gallon plus 4% total sales tax on the per gallon retail price (3% special levy and 1% of the 4% general sales tax). A refund is allowed for all but $.01 of the $.075 excise tax on motor fuel used for farm purposes, if purchase is 25 gallons or more.

Mississippi

Motor fuel tax is $.18 per gallon.

Tennessee

Motor fuel tax is $.17 per gallon plus $.01 special petroleum products tax.

MOTOR VEHICLE ACCIDENT REPORT FEE

STATUTORY AUTHORITY:

Section 32-2-8 Code of Alabama 1975, as amended.

TAX BASE:

Fee for copy of motor vehicle accident report.

TAX RATE:

$15 for each copy.

COLLECTIONS:

By the Department of Public Safety.

Fiscal Year	SGF Collections ($)	Percent Change	HTSF ($)	Percent Change
2007-08	332,895	25.91	166,695	(36.06)
2006-07	264,390	(27.59)	260,715	12.24
2005-06	365,119	6.09	232,286	1.89
2004-05	344,155	(3.77)	227,970	22.44
2003-04	357,625	(2.39)	186,182	1.54

Source: "Comparative Summary of Revenues by Revenue Source" Report - Comptroller's Office.

DISTRIBUTION:

Of each $15 fee, $10 to the State General Fund (SGF) and the remaining $5 to the Department of Public Safety Highway Traffic Safety Fund (HTSF). However, for fiscal years 2005, 2006 and 2007, a total of $150,575 should have been credited to the SGF and debited from the HTSF due to a distribution error. This erroneous distribution was corrected and reflected on a prior fiscal year adjustment credit to the SGF and debit from the HTSF in FY 2008. On average collections to the State General Fund should amount to 66.67% of the total receipts as reflected for FY 2004 and FY 2008 above.

The collections above do not include accident report fees collected by the Department of Conservation and Natural Resources and deposited into the State Water Safety Fund. The amounts deposited are as follows: $310 in FY 2008; $435 in FY 2007; $487 in FY 2006; $370 in FY 2005; and $300 in FY 2004.

LEGISLATIVE HISTORY:

Acts 1971, No. 959, p. 1717

Established fee, not to exceed $3, for copy of any record or report in the Department of Public Safety's files unless a different fee is otherwise prescribed by law. The fee is to be paid into the state treasury to be credited to the State General Fund.

Acts 1988, 1st Ex. Sess., No. 721, p. 112

Increased the maximum fee for a copy of a record or report to $5.

Acts 2001, No. 471, p. 627

Increased the maximum fee for a copy of a record or report to $15. Ten dollars of the fee shall be paid to the State General Fund (an increase of $5 to the General Fund) and the remaining $5 shall be deposited to the Department of Public Safety Highway Traffic Safety Fund.

COMPARISON WITH NEIGHBORING STATES:

Florida

$2.

Georgia

$5.

Mississippi

$10.

Tennessee

$4.

MOTOR VEHICLE CARRIER PERMIT FEES

STATUTORY AUTHORITY:

Sections 37-3-1 through 37-3-34 Code of Alabama 1975, as amended.

TAX BASE:

Registration and application fee for any individual transporting passengers or property by motor vehicle in Alabama according to a lease, contract, or other arrangement for compensation.

TAX RATE:

(1) $100 application fee for a certificate of public convenience or permit.

(2) $100 application fee for an amendment of a certificate or permit.

(3) $25 application fee for transfer of a certificate or permit.

(4) $10 application fee for approval of a lease of a certificate for a period of more than six months.

(5) $6 registration fee for every motor vehicle to be used by a motor carrier on a state highway. Federal law requires that this fee must be paid annually by interstate carriers (who receive a stamp which is affixed to a card). The fee is paid only once by intrastate carriers (who paint the permit number on the truck cab).

COLLECTIONS:

By the Alabama Public Service Commission upon application by the motor carrier. Tour bus operators may make payment to the Department of Tourism and Travel.

Fiscal Year	PSC Fund	Motor Carrier Fund*	Total	% Change
2007-08**	2,711,647	535,500	3,247,147	2,669.94
2006-07**	104,313	12,915	117,288	(95.92)
2005-06	2,350,705	524,000	2,874,705	(1.18)
2004-05	2,442,564	466,466	2,909,030	2.68
2003-04	2,380,755	452,455	2,833,210	(1.00)

*Includes application fees and $1 of the $6 registration fees.

**The amount received in FY 2008 includes fees for calendar years 2007 and 2008 from the UCR Act of 2005, that became effective on January 1, 2007. Enforcement of the act began November 15, 2007.

Source: Public Service Commission.

MAJOR EXEMPTIONS:

A complete listing of exemptions is found in Section 37-3-4 Code of Alabama 1975, as amended.

DISTRIBUTION:

$1 of each registration fee and all application fees are deposited into the Motor Carrier Fund (a component of the Public Road & Bridge Fund). The remaining $5 of the registration fee is deposited to the Public Service Commission's Operating Fund. The above revenues are federal funds as per the ICC Termination Act of 1995 and must be used exclusively for enforcement of safety and insurance programs.

LEGISLATIVE HISTORY:

Acts 1939, No. 669, p. 1064

Established the following motor vehicle carrier fees: $10 application for certificate of public convenience and necessity or permit; $10 amendment to application; $25 transfer of certificate of convenience and necessity or permit; $10 application fee for approval of lease in excess of six months; and $1 registration fee for every motor vehicle to be used by a motor carrier on a state highway.

Acts 1969, No. 477, p. 933

Changed fees as follows: $100 application for certificate of necessity and convenience and $100 application fee for amendment to certificate. The application fee for transfer of a certificate or permit remained at $25; the application fee for approval of a lease of a certificate for more than six months at $10; and the registration fee remained at $1.

Acts 1985, No. 653, p. 1022

Increased the motor carrier registration fee to $4 and further provided for the distribution of this fee.

Acts 1985, No. 688, p. 1103

Exempted wrecker services from PSC regulation.

Acts 1991, No. 730, p. 1422

Increased the motor carrier registration fee from $4 to $6 and further provided for the distribution of this fee.

Acts 1992, 2nd Ex. Sess., No. 710, p. 205

Provided that operators of tour buses may pay the fee to the Department of Tourism and Travel.

Acts 2001, No. 370, p. 474

Provided for the issuance of a certificate of authority to a household goods carrier, without the necessity of a hearing.

Public Law 109-59, 119 stat. 1144, August 10, 2005

Replaced the existing, outdated Single State Registration System for interstate motor carrier entities with the Uniform Carrier Registration (UCR) Act of 2005. Under the UCR Act, registration fees are capped at the amount received by the state in the 2004 registration year.

Acts 2006, No. 517, p. 1191

Designated the Public Service Commission as the agency responsible for the implementation and administration of the federal Unified Carrier Registration Act of 2005 which became effective January 1, 2007; repealed the federal Single State Registration system.

COMPARISON WITH NEIGHBORING STATES:

Florida

Motor vehicles for hire: $12.50 plus $1 per 100 lbs. if less than nine passengers; $12.50 plus $1.50 per 100 lbs. if more than nine passengers. A surcharge of $2 is added to each license tax imposed on any motor vehicle for hire if less than nine passengers.

Georgia

The application fee for a certificate of convenience and necessity varies from $75 to $200, depending on the number of vehicles operated. A $75 fee is charged for transfer of certificate, and $50 for emergency temporary authority. $8 is charged for each motor carrier operating as an emergency, temporary or trip-lease vehicle. Carriers engaged solely in interstate commerce or exempt commodity intrastate commerce must secure a registration permit and pay a $25 filing fee.

Mississippi

Common and contract carriers of passengers pay an annual license fee of $50 plus 3% quarterly of gross income. Carriers who have not paid the annual privilege taxes must secure a temporary trip permit for $25 plus $.05 per 1,000 lbs. for excess weight above the licensed standard for each mile traveled. Excess size permits may be issued for an annual fee of $100 per carrier or $10 per trip.

Tennessee

A $50 application fee is required of common carriers and contract haulers applying for certificates of convenience and necessity and a $30 application fee for temporary certificates of convenience and necessity. Interstate permits and transfers must be accompanied by a $25 fee. On or before January 31, every holder of a certificate or permit must pay a fee of $8 per vehicle.

MOTOR VEHICLE CERTIFICATE OF TITLE FEE

STATUTORY AUTHORITY:

Sections 32-8-1 through 32-8-49 and Section 32-8-87 Code of Alabama 1975, as amended.

TAX BASE:

Registration fee required of owner(s) of a motor vehicle designated a 1975 model or later and manufactured homes and travel trailers designated a 1990 model or later. If a manufactured home is affixed to a parcel of real property and the ownership of the manufactured home and real property are identical, the owner(s) may obtain a cancellation of title from the Department of Revenue.

TAX RATE:

(1)	Each application for certificate of title or salvage certificate of title.	$15
(2)	Each application for replacement or corrected certificate.	$15
(3)	Each application for certificate of title after transfer.	$15
(4)	Each notice of security interest.	$15
(5)	Each assignment by lienholder.	$15
(6)	Each application for ordinary certificate of title upon surrender of a distinctive certificate.	$15
(7)	Each application for information on the status of a title.	$15

In addition to the above applicable fee(s) the probate judge, license commissioner or other authorized license agent collects and retains a processing fee of $1.50 plus an additional commission fee of $1.50.

COLLECTIONS:

By the Department of Revenue, by probate judges and county license commissioners, and by motor vehicle dealers and financial institutions that are designated agents of the Department of Revenue.

Fiscal Year	Collections ($)*	Percent Change
2007-08	21,876,417	(2.38)
2006-07	22,410,828	(2.19)
2005-06	22,912,134	(0.05)
2004-05	22,923,988	5.45
2003-04	21,739,752	(0.95)

*State General Fund receipts only.

Source: "State General Fund Receipts-Comparison of Net Receipts" Report – Comptroller's Office.

MAJOR EXEMPTIONS:

(1) Vehicles owned by a U.S. agency, a dealer, or a nonresident who is not required by law to register a vehicle in this state.

(2) Vehicles regularly engaged in interstate transportation for which a current certificate of title has been issued in another state.

(3) Vehicles moved solely by animal power.

(4) Implements of husbandry.

(5) Special mobile equipment.

(6) Pole trailers.

(7) Manufactured homes and travel trailers designated 1989 and earlier models; a new manufactured home placed on the owner's land when classified as real property.

(8) Utility trailers not exceeding 16 feet in length with not more than one axle.

DISTRIBUTION:

All proceeds are deposited into the State General Fund.

LEGISLATIVE HISTORY:

Acts 1973, No. 765, p. 1147

Established original auto title law and fees.

Acts 1988, 1st Ex. Sess., No. 730, p. 127

Increased and standardized motor vehicle title transaction fee schedule and commissions and fees for services rendered by designated agents to current rates; and clarified inspection procedures for obtaining titles for rebuilt vehicles.

Acts 1989, No. 918, p. 1817

Provided for the titling of mobile homes and travel trailers designated a 1990 model or later, except for those mobile homes affixed to a parcel of property for whom a cancellation of title is obtained; and provided that $5 from each mobile home title fee be credited to the Alabama Manufactured Housing Commission Fund for FY 1989-90.

Acts 2003, No. 345, p. 870

Exempted new manufactured homes that are placed on the owner's land and classified as real property from the requirement to be titled; and exempted utility trailers not exceeding 16 ft. in length from the requirement to be titled.

Acts 2005, No. 322, p. 784

Allowed for title-related fees to be collected "in a manner prescribed" by the Department of Revenue (DOR) (allowing for the possibility of title fees to be submitted to DOR electronically).

Acts 2006, No. 213, p. 312

Created the designation "flood vehicle" and required such designation to be placed on the title of flood vehicle-designated motor vehicles.

COMPARISON WITH NEIGHBORING STATES:

Florida

$31.25, new vehicles; $29.25, previously registered in Florida; $33.25, previously registered in another state/country (Note: Add $2 to application fee if recording a lien.); $28.25, lien only. Certain counties offer expedited services for an additional $7.

Georgia

$18 Certificate of Title (original or transfer) and $8 for replacement. An additional $10 is charged for one day, walk-through service. If a penalty is warranted, title penalty fees are $10.

Mississippi

$4 Certificate of Title; $4 for replacement; and $34 expedited title.

Tennessee

$5.50 Certificate of Title; for a lost title, $11 plus the regular title fee. Counties may add additional fees.

MOTOR VEHICLE DEALERS, RECONDITIONERS, REBUILDERS AND WHOLESALERS LICENSE

STATUTORY AUTHORITY:

Sections 40-12-390 through 40-12-400 and 40-12-29 Code of Alabama 1975, as amended.

TAX BASE:

Privilege license on every person engaged in business as a new or used motor vehicle dealer, motor vehicle reconditioner, motor vehicle rebuilder or motor vehicle wholesaler. (This license is a prerequisite to licensing as an automobile dealer under Section 40-12-51.)

TAX RATE:

$10 annually per type of activity; $5 annually for each additional place of business.

COLLECTIONS:

On October 1 by designated agents of the Department of Revenue after satisfactory proof of liability insurance on business and inventory vehicles is presented by the motor vehicle dealer, motor vehicle reconditioner, motor vehicle rebuilder or motor vehicle wholesaler.

Fiscal Year	Collections ($)	Percent Change
2007-08	126,947	(2.44)
2006-07	130,122	0.50
2005-06	129,479	(1.90)
2004-05	131,992	6.60
2003-04	123,824	(0.46)

Source: Department of Revenue's "Revenue Abstract."

MAJOR EXEMPTIONS:

None.

DISTRIBUTION:

All proceeds are deposited into the State General Fund.

LEGISLATIVE HISTORY:

Acts 1978, No. 539, p. 597

Established privilege license at current rate.

Acts 1991, No. 321, p. 595

Provided an additional penalty of not less than $500 nor more than $1,000 be paid in addition to any criminal penalties for a person operating without a license.

Acts 1995, No. 727, p. 1553

Required new motor vehicle dealers franchised in other states and doing business in Alabama to be licensed in this state.

Acts 2000, No. 554, p. 1005

Required that effective January 1, 2001, proof of liability insurance for business and inventory vehicles must be filed with the application for license, and the application for license will be denied if such proof is not provided.

Acts 2004, No. 534, p. 1126

Provided that dealers of new and used motor vehicles may conduct sales from locations off-site of their permanent location if certain conditions are met; and increased fines for violations of this article.

COMPARISON WITH NEIGHBORING STATES:

Florida

$300 license fee the first year and $75 annual renewal.

Georgia

No comparable tax for dealers of new motor vehicles. A license fee of $170 renewable in even years for dealers of used motor vehicles.

Mississippi

$100 permit fee annually.

Tennessee

$200 license fee biennially.

MOTOR VEHICLE, LP AND NATURAL GAS FUELED FEES

CONSTITUTIONAL PROVISIONS:

Amendment No. 93 to the Constitution of Alabama of 1901, as amended by Amendment No. 354, now appearing as Section 111.06 of the Official Recompilation of the Constitution of Alabama of 1901, as amended

Amendment No. 93 (proclaimed ratified November 19, 1952) provided that no monies derived from any fee, excise or license tax, levied by the state, relating to (1) registration, operation, or use of vehicles or (2) fuels used for propelling vehicles except pump taxes shall be expended for any purpose other than administration of said laws, cost of construction, reconstruction, maintenance and repair of public highways and bridges, costs of highway rights of way, payment of highway obligations, the cost of traffic regulation, and the expense of enforcing state traffic and motor vehicle laws. Amendment No. 354 (ratified November 10, 1976) provided that the Legislature may provide for the manufacture, distribution and use of personalized license plates and also require the payment of an additional fee to be used in such manner as prescribed y the Legislature.

NOTE: The above restriction does not apply to fees and taxes levied by counties and municipalities pursuant to authority granted by the state.

STATUTORY AUTHORITY:

Sections 40-17-160 through 40-17-166 Code of Alabama 1975, as amended.

TAX BASE:

An annual flat fee on certain classes of vehicles which require a motor vehicle license to operate and are fueled by liquefied petroleum gas or natural gas. Payment of this fee is in lieu of an excise tax on liquefied petroleum gas and natural gas used to propel motor vehicles.

TAX RATE:

(1) $75 - passenger automobiles, vans, trucks and pickups under one ton.

(2) $85 - recreational vehicles and vans and trucks one ton or over but with a rear axle carrying capacity of less than 14,000 lbs.

(3) $150 - bobtail trucks and equivalent vehicles (any other vehicle having the capacity of carrying a loaded rear axle weight of 14,000 lbs. or more).

(4) $175 - tractor/trailer units.

In addition to the above fees there is an annual issuance fee of $5 for the decal which indicates that the above fee(s) have been paid.

COLLECTIONS:

By the Liquefied Petroleum Gas Board upon application by the owner/operator of the vehicle.

Fiscal Year	Collections ($)*	Percent Change
2007-08	94,276	(5.73)
2006-07	100,011	(18.95)
2005-06	123,394	(12.45)
2004-05	140,948	(16.70)
2003-04	169,214	(5.67)

*Includes only the flat fee deposited to the Public Road & Bridge Fund. The decal issuance fee (deposited to the LP Gas Board Fund) is not included.

Source: "Comparative Summary of Revenues by Revenue Source" Report - Comptroller's Office.

MAJOR EXEMPTIONS:

(1) Any vehicles owned by the state, county, or any incorporated municipality or agency, or instrumentality thereof.

(2) Any vehicle not requiring a license plate or motor vehicle license, including but not limited to forklift trucks and agricultural vehicles.

(3) Owners of out-of-state vehicles who purchase fuel from a propane or natural gas dealer or supplier in Alabama may pay to the dealer, in lieu of this fee, an amount equal to the Alabama motor fuel (diesel) tax then in effect. Said payments are remitted to the Alabama Liquefied Petroleum Gas Board prior to the 20th day of the following month.

DISTRIBUTION:

Proceeds of the flat fee are deposited to the Public Road & Bridge Fund. Proceeds of the decal issuance fee are deposited to the Liquefied Petroleum Gas Board Fund.

LEGISLATIVE HISTORY:

Acts 1980, No. 739, p. 1503

Established a flat fee at present rate on certain vehicles using liquefied petroleum gas a fuel, in lieu of an excise tax on such fuel; provided for issuance of annual decal and established fee therefore at present rate; and provided exemption from annual permit and decal fees established by this act for liquefied petroleum gas fueled vehicles owned and operated by the state or any incorporated municipality and vehicles not requiring a license plate or motor vehicle license.

Acts 1981, 3rd Ex. Sess., No. 1136, p. 409

Provided that owners of vehicles fueled by natural gas are liable for payment of the annual permit and decal fees and defined classes of vehicles subject to the fees; provided for purchase of decal and payment of permit fee by owners of newly converted vehicles; provided for decals to be placed on such vehicles to identify them as being "Powered by Liquefied Petroleum Gas"; provided that out-of-state vehicles which purchase fuel from a propane or natural gas dealer may opt to pay the permit and decal fees in lieu of the motor fuel tax; and extended exemption from the permit and decal fees to counties and to agencies and instrumentalities of municipalities.

COMPARISON WITH NEIGHBORING STATES:

Florida

An annual decal fee in lieu of excise tax and the State Comprehensive Enhanced Transportation System Tax. State decal fees are:

$44 – Class A – motorcycles, passenger automobiles and trucks having a net weight not over 5,000 lbs.

$60 – Class B – motor vehicles equipped with machinery and used exclusively for well drilling, excavation and construction, school buses, wreckers, and ambulances.

$84 – Class C – trucks and truck tractors with net weights over 5,000 lbs. and trucks used to haul forestry products.

Georgia

No comparable fee.

Mississippi

Distributor of compressed natural gas and liquefied natural gas for use in a motor vehicle, $.18 per 100 cubic feet ($.144 per 100 cubic feet beginning on the first day of the month following the date that specific highway programs have been completed). An annual privilege tax of $195 for vehicles weighing 10,000 lbs. or less; ($165 after the completion of certain highway projects); $.17 per gallon on compressed gas in

vehicles weighing more than 10,000 lbs. ($.134 per gallon after the completion of certain highway projects), except on compressed natural gas and liquefied natural gas, which is $.18 per 100 cubic feet ($.144 per 100 cubic feet after the completion of certain highway projects).

Tennessee

A $.14 per gallon tax is imposed on liquefied gas used for the propulsion of motor vehicles on the public highways of Tennessee. In addition, a user of liquefied gas for the propulsion of a motor vehicle or public highway shall pay an annual vehicle tax according to the following:

Passenger Car/Under 9,000 lbs.	$70
9,000 to 16,000 lbs.	$84
16,000 to 26,000 lbs.	$100
Over 26,000 lbs.	$114

MOTOR VEHICLE REGISTRATIONS

CONSTITUTIONAL PROVISIONS:

Amendment No. 93 to the Constitution of Alabama of 1901, as amended by Amendment No. 354, now appearing as Section 111.06 of the Official Recompilation of the Constitution of Alabama of 1901, as amended

Amendment No. 93 (proclaimed ratified November 19, 1952) provided that no monies derived from any fee, excise or license tax, levied by the state, relating to (1) registration, operation, or use of vehicles or (2) fuels used for propelling vehicles except pump taxes shall be expended for any purpose other than administration of said laws, cost of construction, reconstruction, maintenance and repair of public highways and bridges, costs of highway rights of way, payment of highway obligations, the cost of traffic regulation, and the expense of enforcing state traffic and motor vehicle laws. Amendment No. 354 (proclaimed ratified November 10, 1976) expanded upon Amendment No. 93 to allow for the distribution of proceeds from charges for personalized license plates or tags in any manner prescribed by the Legislature.

Amendment No. 354 (ratified November 10, 1976) provided that the Legislature may provide for the manufacture, distribution and use of personalized license plates and also require the payment of an additional fee to be used in such manner as prescribed by the Legislature.

NOTE: The above restriction does not apply to fees and taxes levied by counties and municipalities pursuant to authority granted by the state.

STATUTORY AUTHORITY:

Sections 32-6-51 through 32-6-313 and Sections 40-12-240 through 40-12-302 Code of Alabama 1975, as amended.

TAX BASE:

License tax or registration fee on each motor vehicle operated on the public highways of Alabama. Ad Valorem taxes are assessed and collected forward on a current basis. Motor carriers operating in interstate commerce pay proportional registration fees derived from mileage traveled in member jurisdictions (registrants receive an apportioned license plate and a cab card), although motor carriers based outside Alabama may, in lieu of a full or apportioned registration, purchase a temporary trip permit for $23 (valid for 7 days).

TAX RATE:

$13 annually for each private passenger car and pick-up truck plus $10 additional annual fee. (See NOTE below regarding distinctive tags.) $7 annually for each motorcycle plus $8 additional annual fee; $47.50 to $210 annually for each motor bus on basis of seating capacity; $13 to $845 annually for each commercial car, truck, or truck-tractor, dependent on weight. (The registration of trucks includes the payment of a base amount ranging from $10.70 to $422.50, and additional amounts ranging from $2.30 to $422.50. For trucks and truck-tractors used for the purpose of agriculture with a gross weight of up to and including 80,001 there is a maximum fee of $250. A farmer is entitled to pay this reduced fee for only one vehicle. For motor homes the base amount ranges from $10.70 to $250, with additional amounts ranging from $2.30 to $250.) Motor vehicle and motorcycle dealers and manufacturers can obtain dealer tags for the same fee as private passenger tags, plus an additional issuance fee of $1.75 to be retained by the county for operations of the issuing officials' offices. Trucks and motor homes with a gross weight of 8,000 lbs. or less pay an additional fee of $10; taxicabs $21 to $40 annually; hearses and ambulances $15 to $55 annually (based on city population); commercial trailers $20 annually; private utility trailers $12 annually; and rental utility trailers $15 annually.

NOTE REGARDING DISTINCTIVE TAGS RATES:

The Code provides for the following distinctive tags to be issued upon the payment of the standard fee plus the required additional fees noted (with said additional fees to be distributed as provided in DISTRIBUTION (3), unless otherwise provided).

	Distinctive Tag	Additional Fee	Statutory Authority
(1)	Amateur Radio Operators	$3	Section 32-6-70
(2)	Amateur Radio Operators licensed by Civil Air Patrol	$1	Section 32-6-90
(3)	Personalized	$50	Section 32-6-150
(4)	University and Public 2-year Colleges Commemorative	$50	Section 32-6-150
(5)	Alabama National Guard-Personalized	$50	Section 32-6-111.1 (Effective 1 Oct 00)
(6)	Retired Military, National Guard, Reservist	$3	Sections 32-6-290 to 32-6-295
(7)	Disabled Veteran	$5	Section 32-6-130
(8)	"Helping Schools"	$15	Sections 32-6-300 to 32-6-301
(9)	Environmental Commemorative	$50	Section 32-6-150
(10)	Retired Educator	$25	Section 32-6-302
(11)	Educator	$50	Section 32-6-302
(12)	Fraternal Order of Police	$20	Sections 32-6-360 to 32-6-365
(13)	Shrine	$25	Sections 32-6-192 to 32-6-196
(14)	Square and Round Dance	$5	Sections 32-6-330 to 32-6-332

(15)	Alabama Veteran-includes the following regular ($3, $6 for Vietnam Veteran) and personalized ($50) tag types: Atomic Nuked, Battle of the Bulge, Desert Storm/Shield, Global War on Terrorism, Korean War, Pearl Harbor, Vietnam, WWII: American, European-African, or Pacific	$3	Sections 32-6-350 to 32-6-352
(16)	Letter Carrier	$3	Sections 32-6-380 to 32-6-383
(17)	Alabama Forests	$50	Sections 32-6-410 to 32-6-413
(18)	Support the Arts	$50	Sections 32-6-470 to 32-6-473
(19)	Civitan International	$25	Sections 32-6-490 to 32-6-492
(20)	Alabama Ducks Unlimited	$40	Sections 32-6-460 to 32-6-467
(21)	Alabama Cattlemen	$50	Sections 32-6-500 to 32-6-502
(22)	Alabama State Defense Force	$50	Sections 32-6-480 to 32-6-483
(23)	Alabama Wildlife Federation	$50	Sections 32-6-560 to 32-6-561
(24)	Alabama Association of Realtors	$50	Sections 32-6-520 to 32-6-523
(25)	Children's Trust Fund	$50	Section 32-6-450
(26)	Ag Tag	$50	LOC approved*
(27)	Delta Sigma Theta Sorority	$50	LOC approved*
(28)	Save the Cahaba River	$50	LOC approved*
(29)	Sons of Confederate Veterans	$50	LOC approved*
(30)	Support Adoption	$50	LOC approved*
(31)	Organ Donor	$50	LOC approved*
(32)	Barber Vintage Motorsports	$50	LOC approved*
(33)	Curing Childhood Cancer	$50	LOC approved*
(34)	Forever Wild	$50	LOC approved*
(35)	National Wild Turkey Foundation	$50	LOC approved*
(36)	NASCAR Race Plates	$50	LOC approved*
(37)	Save the Saturn V	$50	LOC approved*
(38)	Take A Kid Fishing	$50	LOC approved*

*No statutory authority. Approved by the Legislative Oversight Committee (LOC).

The Code provides for distinctive tags in addition to those listed above. Such tags are either (a) provided at no cost (see MAJOR EXEMPTIONS) or (b) provided upon payment of the regular fee. **Issuance Fee:** In addition to the fees above a $1.25 issuance fee is collected (unless otherwise specified)-paid to the probate judge, license commissioner or other authorized license agent if he or she is on a fee system or deposited to the county general fund if the probate judge, license commissioner or other authorized license agent is salaried. Each new distinctive plate issued, with the exception of military plates, requires a $50 fee in addition to the standard fee.

The additional fee is distributed as follows:

(1) 2.5% commission

(2) $1.50 manufacturing cost to the Department of Corrections

(3) $1 administrative cost to the Department of Revenue

(4) $5 to the Penny Trust Fund

(5) Remainder to sponsoring organization

COLLECTIONS:

Fiscal Year	IRP $	M.V.Registration $	Total $*	% Change
2007-08	31,578,617	191,626,342	223,204,959	5.23
2006-07	35,184,655	176,928,514	212,113,169	23.78
2005-06	31,345,481	140,022,708	171,368,189	(4.63)
2004-05	30,740,900	148,939,559	179,680,459	8.61

*Gross collections. Includes: probate judges, license commissioner or other authorized license agent fees; revenue department administrative share; local governments' shares; State General Fund and Public Road and Bridge Fund shares; college shares; and Environmental Fund shares (from personalized tags).

Source: Department of Revenue - Motor Vehicle Division.

MAJOR EXEMPTIONS:

(1) Active members of Alabama National Guard or retired member of Air National Guard with 20 years or more service - 1 free distinctive tag (ad valorem tax is paid), with additional distinctive tags available upon payment of the regular fee (Sections 40-12-244(1) and 31-2-12 of the Code).

(2) Active Military Reservists - 1 tag (Section 40-12-244(2) of the Code).

(3) Service-connected disabled veterans (a disabled veteran may qualify for multiple exemptions resulting from three separate exemption laws - Section 40-12-244(1) of the Code which allows veterans with a service-connected disability to get 1 tag which is exempt from payment of the $23 fee, Section 32-6-130 of the Code which allows a veteran who is 50% or more disabled to receive an unlimited number of tags for payment of $5 rather than $23 and Section 40-12-254 of the Code which allows a disabled veteran a tag exempt from all fees and taxes for a vehicle purchased or specially equipped for the veteran by the U.S. Veterans' Administration (this is done only for veterans who are essentially 100% disabled)).

(4) Members of volunteer rescue squads - 1 tag (Section 40-12-244(3) of the Code).

(5) Members of the Civil Air Patrol - 1 tag and all vehicles owned by the Civil Air Patrol national headquarters and Alabama Wing of the Civil Air Patrol (Section 40-12-244(4) of the Code).

(6) Medal of Honor or Purple Heart recipients, POWs and their surviving spouses - 1 permanent, tax and fee exempt distinctive tag (except that Purple Heart recipients or their surviving spouses must pay ad valorem taxes on vehicles for which such tags are issued) (Sections 32-6-250 through 32-6-255 of the Code).

(7) Consuls and Honorary consuls of foreign countries - 1 distinctive tag (must pay an issuance fee of $.50) (Section 40-12-243 of the Code).

(8) Motor vehicles owned and used by the state, counties, municipalities or municipal corporations or boards, and volunteer fire departments (must pay an amount as determined by the Department of Revenue and approved by the Legislative Council equivalent to the actual cost of producing and issuing the tags) (Section 40-12-250 of the Code).

(9) Motor vehicles owned by volunteer rescue squads (Section 32-11-2 of the Code).

(10) Vintage vehicles (more than 35 years old) - onetime registration fee of $10 for permanent distinctive tag (Section 40-12-293 of the Code).

(11) Vehicles owned by Industrial Development Boards (see AD VALOREM TAX - MAJOR EXEMPTIONS for Code cites).

(12) Vehicles owned by nonresident military servicemen in Alabama by virtue of military orders (Soldiers and Sailors Relief Act).

(13) Vehicles owned by various organizations as identified in Sections 40-9-1, 40-9-9 through 40-9-13, 40-9-15, 40-9-16, 40-9-18, 40-9-22, 40-9-23, 40-9-25, 40-9-26, 40-9-28 and 40-9-29 of the Code.

In addition to the above exemptions, proration of (or complete exemption from) the annual registration fees can be obtained through non-use affidavits (Section 40-12-258 of the Code).

DISTRIBUTION:

(1) The $10 additional fee paid on private passenger automobiles and trucks with a gross weight of 8,000 pounds or less ($8 additional for motorcycles) is deposited in the General Fund to be used by the Department of Public Safety.

(2) Additional amounts paid on the regular registration of heavy trucks are distributed as follows:

(a) 64.75% to the Public Road & Bridge Fund

(b) 35.25% to the counties (42.16% allocated equally, 57.84% allocated on the basis of population.)

(3) Remaining proceeds ("base" fees) are distributed as follows, after deduction of (a) 2-1/2% for administrative costs of probate judge, license commissioner or other authorized license agent (deposited to county general fund if probate judge, license commissioner or other authorized license agent not on fee system) and (b) 5% (deposited to the Public Road & Bridge Fund, with as much as required to be appropriated by the Legislature

to the Department of Revenue for administrative expenses related to this tax and tag costs and the remainder to be used for any purpose for which monies in the Fund may be lawfully used):

(a) 72% is deposited into the Public Road & Bridge Fund.

(b) 21% is remitted by each probate judge to the municipality wherein the owner of the vehicle resides or where the vehicle was registered. If not in an incorporated municipality, the proceeds go to the county wherein the license tax was paid.

(c) 7% is apportioned by the state treasurer to the 67 counties on basis of vehicle registrations. 10% of each county's apportionment is subsequently distributed to the municipalities therein on a population basis.

LEGISLATIVE HISTORY (excludes acts dealing with special tags or exemptions):

Acts 1911, No. 452, p. 634

Provided for the registration, licensing, and identification of motor vehicles operated on the public highways of the state; established the license tax or registration fee based on horsepower; and required that 40% of said proceeds be distributed to the city (or county) where the owner or licensee resided.

Acts 1926-27, No. 347, p. 353

Required that the net revenue derived from the registration of motor vehicles, trailers, and tractors be used to finance the operations of the State Highway Department.

Acts 1935, No. 194, p. 256

Amended the provisions for the licensing and registration of private cars, buses, and motor trucks by basing such fees on vehicle weight.

Acts 1971, No. 1206, p. 2092

Provided for an increase in the license or registration fee above the established base amount for trucks and truck-tractors.

Acts 1979, No. 797, p. 1455

Established a staggered system for registering motor vehicles and provided for the annual issuance of motor vehicle plates. Also, provided that the amount charged by the Board of Corrections for the manufacture of revalidation devices would not be less than that charged for the manufacture of license plates. Effective October 1, 1980.

Acts 1984, No. 186, p. 286

Modified the registration weight ranges for trucks and truck-tractors; provided one schedule for heavy trucks; and provided various increases to truck tag fees.

Acts 1984, No. 240, p. 363

Provided for the payment of an additional $10 on the registration of each passenger automobile, or truck with a gross weight of 8,000 pounds or less and $8 additional fee for motorcycle. Said funds would be used by the Department of Public Safety for traffic regulation and expense of enforcing state traffic and motor vehicle laws.

Acts 1986, 1st Ex. Sess., No. 687, p. 83

Provided further for the weight classification and license cost of certain farm and forest product trucks and truck-tractors.

Acts 1987, No. 763, p. 1484

Amended Section 40-12-262 Code of Alabama 1975, relating to trip permits, by requiring cab cards of international registration plan vehicles to be present in the vehicle and provided for temporary trip permits.

Acts 1987, No. 764, p. 1486

Provided a limitation on the total cost of license plates, taxes and license fees for motorized recreational vehicles (to return the taxation of such vehicles to the rates, weights and amounts that existed prior to 1984); and exempted motorized recreational vehicles from the provisions of Section 40-12-248 Code of Alabama 1975.

Acts 1988, 1st Ex. Sess., No. 824, p. 265

Removed mobile homes from motor vehicle registration requirements and classified them as residences for ad valorem tax purposes.

Acts 1988, No. 946, p. 1859

Established a base and additional amount fee structure for motor homes distinct from that of trucks or truck tractors.

Acts 1988, 2nd Ex. Sess., No. 980, p. 701

Authorized a five-year registration option for truck trailers, tractor-trailers and semitrailers.

Acts 1991, No. 694, p. 1340

Increased annual registration fee for privately owned utility trailers from $3 to $12 and included travel trailers; and increased annual registration fee for leased or rented utility trailers from $8 to $15.

Acts 1994, No. 584, p. 1071

Increased the fee for Dealer Tags to $10 and provided for the number available; and created the Manufacturer's Tag for a fee of $25.

Acts 1996, No. 746, p. 1307

Provided that license plates, except vintage, will follow the owner; required proof of ownership be retained in vehicle effective January 1, 1998; increased the penalty to $10 for failure to register vehicle within 10 days; provided for two-year dealer tags; and increased the maximum dealer plates to three per full-time salesperson.

Acts 1996, No. 818, p. 1520

Replaced Alabama's antique tag with "vintage" tag category and clearly defined qualifications for obtaining the "vintage" tag. Owners were required to meet new requirements and exchange their antique tags for "vintage" tags between October 1, 1996, and September 30, 1997. On October 1, 1997, the antique tag expired and was no longer a valid tag.

Acts 1997, No. 633, p. 1148

Revised the process for the issuance of distinctive license plates to approval by the Legislative Oversight Committee instead of approval by the passage of legislation for each type of distinctive plate and placed specific restrictions on said approval.

Acts 1997, No. 916, p. 305

Amended current annual license taxes and registration fees for trucks or truck-tractors used for agricultural purposes by establishing an additional class of trucks or truck-tractors with a maximum fee of $250 where the gross weight of the vehicle is up to and including 80,001 pounds. A farmer is entitled to pay this reduced annual license tax and registration fee for only one truck-tractor.

Acts 1997, 1st Ex. Sess., No. 919, p. 310

Provided a temporary tag for a maximum of 90 days for vehicles manufactured in Alabama but intended to be permanently licensed in some other jurisdiction than Alabama.

Acts 2000, No. 565, p. 1041

Established the process of converting from assessing and collecting ad valorem taxes in arrears to assessing and collecting ad valorem taxes forward on a current basis.

Acts 2000, No. 699, p. 1421

Provided for the issuance of permanent license plates for vehicles owned by volunteer fire departments, state and local governments upon the payment of an amount determined by the Department of Revenue and approved by the Legislative Council as sufficient to cover the cost of producing and issuing the plates.

Acts 2002, No. 256, p. 537

Deleted the fees for dealer and manufacturer tags and provided that the fee for a dealer tag would be the same as the fee for private passenger tags; allowed motorcycle dealers to obtain motorcycle dealer tags; and levied an additional issuance fee of $1.75 on each dealer tag.

Acts 2004, No. 292, p. 414

Provided that anyone reregistering a vehicle (not including farm trucks, farm truck-tractors, motor homes or vintage vehicles) would not be allowed to pay prorated registration fees, even if the owner or operator can document that the vehicle has not been used.

Acts 2004, No. 520, p. 1051

Established a new weight classification bracket and registration cost for trucks with a gross vehicle weight between 8,001 and 10,000 pounds; and increased from 8,000 to 10,000 pounds the maximum gross vehicle weight eligible for a distinctive and personalized license plate, with the exception of military and disability access plates.

Acts 2004, No. 529, p. 1106

Increased from 10 to 20 the number of days a person acquiring a new vehicle has to register that vehicle; and increased from $10 to $15 the penalty for failing to register a vehicle within the timeframe granted by law.

Acts 2004, No. 554, p. 1192

Provided that motor vehicle registrations become expired on the last day of the designated renewal month instead of the last day of the month preceding the designated renewal month.

Acts 2006, No. 276, p. 482

Provided for multi-year apportioned (IRP) plates to be issued every five years instead of annually, effective January 1, 2007; increased from $780 and $845 to $815 and $890 the annual registration fee for X8 (73,281 to 80,000 pounds) and X9 (80,000+ pounds) license plates; also provided that truck trailers, tractor-trailers and/or semitrailers may purchase a permanent trailer plate for a one-time registration fee of $60 in lieu of an annual payment of $20.

Acts 2006, No. 356, p. 946

Provided that the gross vehicle weight for pickup trucks used only for personal or agricultural purposes will be defined as the empty weight of the truck rather than the heaviest load carried and/or the weight of the truck when used in combination with another vehicle or portable equipment, which would still be the weight-defining standard for commercially used pickup trucks.

COMPARISON WITH NEIGHBORING STATES:

Florida

Generally, license tag fees are based on weight. For passenger cars, license tax fees range from $27.60 to $45.60. For motor trucks, truck-trailers and buses, license tax fees range from $27.60 to $994.60. In addition

there are various additional charges added to all registration fees. These various additional charges add up to approximately $24.35. A fee of $100 is imposed upon the initial registration of automobiles for private use, lightweight trucks, motor homes and truck campers, “goat” trucks and antique trucks.

Georgia

A flat tag fee of $20 is charged for passenger automobiles. License tag fees for motor trucks, truck-tractors and other non-passenger carrying vehicles fees range from $20 to $725; motorbuses and vans used as common or contract carriers for hire are based on weight with fees ranging from $190 to $875; and private trucks and truck-tractor tag fees are also based on weight and range from $20 to $400.

Mississippi

A base registration fee of $8.75 when decals only are issued and $10 when a plate and decals or a plate only is issued, in addition to the following license tax fees (privilege tax): Private passenger motor vehicles, $15; motorcycles, $8; passenger coaches and commercial carriers of property and drays including pickup trucks, $7.20 to $1,512; hearses and ambulances, $25; church and school buses, $10; private carriers of property, $7.20 to $864; trailers, $10; taxicabs, $35; passenger carriers, except private carriers, used exclusively for noncommercial purposes, $50. Ad valorem taxes also apply based upon assessed vehicle value-minimum of $100 for gross vehicle weight of less than 10,000 lbs.

Tennessee

A flat fee of $18.75 is charged for passenger vehicles while passenger vehicles for hire pay an additional fee dependent on the number of passengers; motorcycles, $11.75; mobile homes, $19. Fees for freight motor vehicles are based on weight, classification and class, and range from $38 to $1,332.50. All vehicles are subject to an additional fee of $.75 at the time of registration or renewal. All motor carriers, contract haulers and exempt-for-hire carriers pay an $8 annual registration fee in addition to other lawfully required fees.

OTHER INFORMATION State of Alabama-Department of Revenue, Motor Vehicle Division.

Number of Alabama vehicle registrations by category as of September 2007:

Type	Vehicles Registered
Passenger vehicles (including personalized tags and pick-ups)	4,578,624
Trucks & Truck Tractors	99,173
Motor Homes	18,515
Taxis, Buses	2,012
Motorcycles	109,894
Other	346,297
Total	5,154,515

OIL COMPANIES WHOLESALE LICENSES

STATUTORY AUTHORITY:

Section 40-17-174 Code of Alabama 1975, as amended.

TAX BASE:

Privilege tax upon every person or firm selling illuminating, lubricating, or fuel oils at wholesale in Alabama in quantities of 25 gallons or more annually.

TAX RATE:

.5% of the preceding years gross sales less exemptions. No county license may be charged under this section.

COLLECTIONS:

By Department of Revenue on or before October 14.

Fiscal Year	Collections ($)	Percent Change
2007-08	5,991,350	(10.11)
2006-07	6,665,342	21.85
2005-06	5,470,021	30.16
2004-05	4,202,623	32.03
2003-04	3,183,189	4.49

Source: Department of Revenue's "Revenue Abstract."

MAJOR EXEMPTIONS:

(1) Federal, state and local excise taxes embedded in the price paid for taxable items are excluded from gross sales.

(2) Sales from one wholesaler to another wholesaler are excluded from gross sales.

DISTRIBUTION:

All proceeds are deposited into the State General Fund.

LEGISLATIVE HISTORY:

Acts 1935, No. 194, p. 256

Established tax at present rates.

Acts 1996, No. 521, p. 669

Allowed an exclusion from the tax base for sales between wholesalers and for federal, state, and local excise taxes included in the prices paid for taxable products.

COMPARISON WITH NEIGHBORING STATES:

Florida

$30 annual license.

Georgia

Requires a one-time filing fee of $10.

Mississippi and Tennessee

No comparable taxes.

LUBRICATING OIL TAX

STATUTORY AUTHORITY:

Sections 40-17-170 through 40-17-173, 40-17-175 through 40-17-186, 40-17-220 through 40-17-225, 40-17-240 and 40-17-250 Code of Alabama 1975, as amended.

TAX BASE:

Excise tax on every distributor, manufacturer, dealer, or storer of lubricating oil upon selling, distributing, or withdrawing such from storage (does not include products commercially known as "fuel oils" or "crude oils").

TAX RATE:

The State of Alabama collects two levies, of $.02 and $.04, for a total of $.06 per gallon. (Also subject to petroleum inspection fee of $.15 per gallon. See AGRICULTURAL FEES-Petroleum Commodities Fees.)

COLLECTIONS:

By the Department of Revenue on or before the 20th of each month.

Fiscal Year	$.02	$.04	Total	% Change
2007-08	677,285	1,354,570	2,031,855	1.65
2006-07	665,534	1,333,283	1,998,817	0.53
2005-06	663,072	1,325,306	1,988,378	0.24
2004-05	662,160	1,321,453	1,983,613	3.52
2003-04	673,067	1,243,182	1,916,249	(14.80)

Source: "Comparative Summary of Revenues by Revenue Source" Report - Comptroller's Office.

MAJOR EXEMPTIONS:

(1) From the $.02 tax and the $.04 tax:

- (a) Sales to agencies of the U.S. Government.
- (b) Local school boards.
- (c) Class I municipalities (Birmingham).
- (d) Class II municipalities (Mobile).
- (e) Alabama Institute for the Deaf and Blind, Department of Youth Services School District and private and parochial schools.

(2) From the $.02 tax:

(a) Sales of lubricating oil in interstate commerce.

(b) Sales of lubricating oil to an out-of-state purchaser who takes delivery of such oil within the state with intent to transport it out-of-state.

(3) From the $.04 tax:

(a) Lubricating oil used in aircraft powered by reciprocating, jet or turbine engines, ships, vessels, barges, railroad locomotives and other railroad equipment.

(b) Lubricating oil sold to be used for agricultural purposes.

(c) Lubricating oil sold to governing bodies of counties and municipalities.

(d) Lubricating oil sold to be used in off-road vehicles which do not require state licensing.

DISTRIBUTION:

After deducting the cost of collection, the net tax proceeds are distributed as follows:

(1) Proceeds from the $.02 per gallon levy are deposited into the State General Fund.

(2) Proceeds from the $.04 per gallon levy are distributed (a) 45% to the Public Road & Bridge Fund; and (b) 55% to the 67 counties and the municipal governing bodies located therein. Of the 55%, 45.45% is distributed equally to the 67 counties; and 54.54% is allocated among the 67 counties based on population; 10% of each county's portion of the tax proceeds are shared with the municipal governing bodies located therein on the ratio of the population of each such municipality to the total population of all municipalities in said county unless otherwise provided by legislative act; and the balance allocated to each county is to be distributed with respect to which the allocation is made (Section 40-17-224) primarily resurfacing, restoration, rehabilitation and bridge replacement.

LEGISLATIVE HISTORY:

Acts 1935, No. 194, p. 516

Established the $.02 per gallon levy to provide for general revenue with tax receipts credited to the State Highway Patrol.

Acts 1943, No. 477, p. 441

Authorized the Department of Revenue to exempt U.S. agencies from the $.02 tax.

Acts 1955, No. 42, p. 259

Changed the distribution of the $.02 per gallon tax receipts so that all receipts would be deposited after the cost of collection is deducted to the General Fund.

Acts 1980, No. 427, p. 590

Levied the additional excise tax of $.04 per gallon on gasoline, motor fuel and lubricating oil and provided for its distribution.

Acts 1980, No. 694, p. 1397

Exempted the sale of lubricating oil destined for out-of-state use from the $.02 tax.

Acts 1981, No. 787, p. 1379

Exempted local boards of education from the $.04 tax on gasoline, motor fuel and lubricating oil.

Acts 1987, No. 553, p. 854

Exempted from the $.02 tax on lubricating oil private and parochial schools, city and county boards of education, Alabama Institute for the Deaf and Blind, and the Department of Youth Services School District; and exempted from the $.04 tax on lubricating oil private and church school systems.

Acts 1987, No. 675, p. 1205

Further provided for use of lubricating oil tax proceeds in municipalities to include construction of new roads and streets.

Acts 1988, No. 641, p. 1027

Exempted Class I municipalities (Birmingham) from the payment of all oil, gasoline and diesel fuel taxes of any kind.

Acts 1991, No. 665, p. 1273

Exempted Class II municipalities (Mobile) from the payment of all oil, gasoline and diesel fuel taxes of any kind.

Acts 1991, No. 672, p. 1310

Exempted Department of Youth Services School District, Alabama Institute for the Deaf and Blind, city and county boards of education and private and parochial schools from all gasoline, motor vehicle fuel and oil taxes. (The effect of this act relative to the Lubricating Oil Tax was to exempt the D.Y.S. School District, A.I.D.B. and private and parochial schools from the $.04 tax.)

Acts 1995, No. 410, p. 881

Inserted into the Code the general exemption for D.Y.S. and A.I.D.B. granted in the 1991 Act above.

COMPARISON WITH NEIGHBORING STATES:

Florida and Georgia

No comparable tax.

Mississippi

$.02 per quart.

Tennessee

$.02 per quart.

OIL AND GAS DRILLING PERMIT, FILING AND APPLICATION FEES

STATUTORY AUTHORITY:

Section 9-17-24 Code of Alabama 1975, as amended.

TAX BASE:

Any person desiring or proposing to drill any well in search of oil or gas or a class II injection well as defined by the Federal Safe Drinking Water Act, 42 USC 300f et seq; any person filing a petition or notice of petition requesting a public hearing before the State Oil and Gas Board; and any person proposing to fracture a coal group.

TAX RATE:

$300 drilling fee per well, $150 petition filing fee, and a fee not to exceed $250 to fracture a coal group. The current fee to fracture a coal group is $175.

COLLECTIONS:

By the Oil and Gas Board. Deposits are made to the state treasury.

Fiscal Year	Collections ($)	Percent Change
2007-08	329,275	(29.48)
2006-07	466,925	(5.57)
2005-06	494,450	17.64
2004-05	420,300	12.24
2003-04	374,475	0.53

Source: "Comparative Summary of Revenues by Revenue Source" Report - Comptroller's Office.

EXEMPTIONS:

Any person who desires to file a petition without paying the filing fee may request a waiver from the Oil and Gas Board.

DISTRIBUTION:

All proceeds are deposited to the State Oil and Gas Board Special Fund.

LEGISLATIVE HISTORY:

Acts 1945, No. 1, p. 1

Established drilling permit fee of $25 per well, to be paid into the Oil and Gas Fund.

Acts 1975, No. 1094, p. 2163

Provided for $250 drilling permit fee per well, to be paid into the State General Fund for the use of the Oil and Gas Board as appropriated by the Legislature.

Acts 1979, No. 425, p. 666

Provided for $250 drilling permit fee per well, to be paid into the State General Fund; and abolished the Oil and Gas Fund after September 30, 1979.

Acts 1988, No. 576, p. 893

Provided for drilling permit fee per well, filing fee and application fee per well status determination at current rates; and created the Oil and Gas Board Special Fund, into which all fees are deposited.

Acts 2002, No. 425, p. 1092

Provided the current fee for fracturing a coal group and distribution of proceeds therefrom retroactive to September 1, 2001.

COMPARISON WITH NEIGHBORING STATES:

Florida

Application fee and 5-year operating permits - $2,000.

One-year extension for drilling fee - $1,000.

Georgia

Application fee - $25.

Mississippi

Drilling permits, conversions and dual completions - $600.

Workovers and change of operations - $100.

Tennessee

Drilling permits - $500.

Permit amendment and change of operator fees - $25.

OIL AND GAS PRIVILEGE TAX

STATUTORY AUTHORITY:

Sections 40-20-1 through 40-20-14 and Sections 33-2-210 through 33-2-213 Code of Alabama 1975, as amended.

TAX BASE:

An annual privilege tax on all persons engaged in the business of producing or severing oil or gas from beneath the soil or water. (See OIL AND GAS PRODUCTION TAX.)

TAX RATE:

Well units are taxed at a percentage of the gross value of the oil or gas at the point of production. The privilege tax varies. (See the following table and LEGISLATIVE HISTORY.)

Well Type	Annual Tax Rate
Oil wells producing 25 barrels or less/day and gas wells producing 200 MCF or less/day.	4%
Incremental production from enhanced recovery projects.	4%
Offshore wells permitted on 7/1/88 or later and producing from a depth of 18,000 feet or greater.	4%
Discovery or development wells permitted 7/1/84 or later for first five years of production.	6%
Offshore wells permitted prior to 7/1/88 and producing at a depth greater than 18,000 feet.	6%
Offshore wells permitted on or after 7/1/88 and producing at a depth less than 18,000 feet.	6%
Onshore wells permitted 7/1/88 or later.	6%
Offshore wells permitted prior to 7/1/88 and producing at a depth less than 18,000 feet.	8%
All other onshore production.	8%

COLLECTIONS:

By the Department of Revenue by the 15th day of the second calendar month following the month of production.

Fiscal Year	Collections ($)	Percent Change
2007-08	137,497,808	38.77
2006-07	99,084,478	(21.26)
2005-06	125,836,829	30.18
2004-05	96,665,311*	33.40
2003-04	72,461,570*	9.68

*FY 2003-04 collections include $792,164 and FY 2004-05 collections include $8,802,481 from the temporary tax levied by Acts 2004, No. 635. (See LEGISLATIVE HISTORY.)

Source: Department of Revenue's "Revenue Abstract."

MAJOR EXEMPTIONS:

(1) Production from wells permitted on or after July 1, 1996, but before July 1, 2002, is taxed at one-half the rate otherwise levied for a period of five years from the date commercial production begins.

(2) Gas used for injection purposes is taxed only when sold rather than each time it is severed.

(3) Natural gas lawfully vented or flared in connection with the production, treatment, or processing of oil or gas.

(4) Natural gas lawfully injected into oil or gas pools or reservoirs.

(5) Natural gas lawfully injected into the earth for the purpose of lifting oil or gas.

DISTRIBUTION:

After deducting the cost of collection, the proceeds from the annual tax are distributed as follows:

(1) Offshore Production (see LEGISLATIVE HISTORY - Acts 1990, No. 652):

(a)* 90% to the State General Fund.

(b) 10% to the county in which the oil or gas was produced.

(2) Onshore Production:

(a)* 25% to the State General Fund.

(b) 75% as follows:

(i) 66.67% to the following:

(a.) 25% to the counties in which the oil or gas was produced.

(b.) 10% to the municipalities in which the oil or gas was produced.

(c.)* Of the first $150,000 remaining, or any part thereof, 50% to the State General Fund, 42.5% to the county in which the oil or gas was produced and 7.5% to the cities therein on a population basis.

(d.)* Of the balance, 84% to the State General Fund, 14% to the county in which the oil or gas was produced and 2% to cities therein on a population basis.

(ii)* 16.67% to the State General Fund.

(iii) 16.67% to the county in which oil or gas was produced.

*The first $9.5 million of collections from this tax required to be deposited to the State General Fund during each quarter of each fiscal year is credited to the Alabama State Docks Facilities Contingency Trust Fund. Up to $9.5 million annually may be used by the State Port Authority for operations and/or bond expenses, upon verification by the Director of Finance that such use of these funds is necessary. On the 30th day of each month of each fiscal year, any funds remaining in the Contingency Trust Fund which have not been designated as required by the Port Authority are deposited to the State General Fund. (As of the end of FY 2008 the Port Authority had not required the use of any of the Contingency Trust Fund monies, so that all of the $9.5 million has been deposited to the State General Fund each year.)

LEGISLATIVE HISTORY:

Acts 1945, No. 2, p. 20

Established the oil and privilege tax at 4% of the gross value; and provided exemptions from ad valorem taxation for all oil or gas produced, for leases in production, and for oil or gas beneath producing properties to a maximum of 40 acres.

Acts 1971, No. 2057, p. 3317

Increased the rate to 5% of the gross value until October 1, 1973; after which, the rate was reduced to 4%.

Acts 1979, No. 434, p. 687

Increased the rate to 6% for wells producing 26 barrels or more per day and allowed wells beginning production after September 1, 1979, to be taxed at 4% for the first 10 years of production; and provided that additional collections be distributed 50% to State General Fund and 50% to county.

Acts 1980, No. 708, p. 1189

Increased the rate to 6% for well units producing 40 or more barrels per day and allowed well units producing less than 40 barrels per day to be taxed at 4% of the gross value at the point of production.

Acts 1983, 1st Ex. Sess., No. 39, p. 39

Increased the rate to 8% for wells producing 10 or more barrels of oil per day; and allowed well units producing less than 10 barrels per day to be taxed at 4% of gross value at the point of production. Distribution formula changed to allow additional 2% to be deposited into the State General Fund. Removed 10-year exemption.

Acts 1983, 4th Ex. Sess., No. 889, p. 116

Provided that all oil or gas produced by offshore production would be taxed at a rate of 6% of gross value at point of production to be distributed 90% State General Fund and 10% to county; raised 10 barrel per day exemption (taxed at 4% rather than 8%) to 25 barrels per day. All wells producing 25 barrels of oil per day or more would be taxed at 8%. Also provided that any gas well producing 200 cubic feet of gas per day or less would be taxed at 4% rather than 8%.

Acts 1984, No. 328, p. 749

Provided that all production from onshore discovery wells and onshore development wells on which drilling commenced within four years of the completion date of the discovery well and producing from a depth of 6,000 ft. or greater as well as all production from onshore development wells on which drilling commenced within two years of the completion date of the discovery well and producing from a depth less than 6,000 ft. would be taxed at 6% rather than 8% for a period of five years.

Acts 1984, No. 662, p. 1326

Provided that cities would receive 10% of any 4% tax levied on wells within the corporate limits of the municipalities.

Acts 1984, 1st Ex. Sess., No. 672, p. 5

Provided that any well which began commercial production of occluded natural gas from coal seams after June 7, 1984 would be taxed at the rate of 2% for a period of five years. (This act expired on June 7, 1994.)

Acts 1985, 2nd Ex. Sess., No. 911, p. 182

Provided that incremental oil and gas production resulting from an “enhanced recovery project” would be taxed at 4% rather than 8%.

Acts 1987, No. 551, p. 849

Created the Alabama State Docks Facilities Contingency Trust Fund and provided that, beginning with FY 1987, the first $9.5 million of collections from the Oil and Gas Privilege Tax required to be deposited to the State General Fund during each year would be credited to this Contingency Trust Fund, to be used by the Alabama State Docks Department for operations and/or bond expenses of the State Docks,

upon verification by the Director of Finance that such use of these funds is necessary; also provided that, within 45 days after the close of the third quarter of each fiscal year, any funds remaining in the Contingency Trust Fund which have not been designated as required by the State Docks would be deposited to the State General Fund.

Acts 1988, No. 601, p. 935

Provided that the oil and gas produced from any well for which the initial permit issued by the Oil and Gas Board is dated on or after July 1, 1988 (except a replacement well for which the initial permit issued by the Oil and Gas Board is dated before July 1, 1988) would be taxed at a rate of 6% for onshore wells and 4% for offshore wells (a 2% reduction for both types).

Acts 1990, No. 652, p. 1249

Redefined offshore production as submerged lands, which means that if submerged lands are located within the police jurisdiction or corporate limits of any municipality those submerged lands would be defined as onshore lands for the purpose of distributing the tax, shifting the distribution of oil and gas privilege tax receipts from 90%-state, 10%-local to approximately 70%-state, 30%-local.

Acts 1996, 2nd Ex. Sess., No. 877, p. 1688

Reduced the privilege tax rate by one-half for a five-year period beginning with the date production began on oil or gas produced from wells permitted on or after July 1, 1996, but before July 1, 1999.

Acts 1998, No. 503, p. 1120

Required that monies in the State Docks Facilities Contingency Trust Fund be transferred monthly to the State General Fund if they are not needed to pay debt service on docks bonds.

Acts 1999, No. 584, p. 1332

Extended the reduced tax rate granted under Act 96-877 that was scheduled to expire July 1, 1999. The extension was made through July 1, 2002.

Acts 2000, No. 598, p. 1199

In reference to the first $9.5 million in receipts from this tax for State General Fund that is first used by the Port Authority, if needed by said Authority, this act changed the name from State Docks to Port Authority and restricted the Authority's use of these funds.

Acts 2004, No. 635, p. 1451

Levied a temporary oil and gas privilege tax at the rates of 1% on offshore production and .5% on onshore production for the period from July 1, 2004 through June 30, 2005 and distributed the proceeds to the State General Fund.

COMPARISON WITH NEIGHBORING STATES:

Florida

An excise tax is collected on the gross value of the oil, gas or sulfur produced in Florida at the following rates: oil, 5% of gross value for small well oil (wells producing less than 100 barrels per day) and tertiary oil, 8% for all other oil; escaped oil is an additional 12.5%; gas, $.457 per mcf, effective July 1, 2008 (rate set annually, based on gas fuels producer price index); sulfur, $4.78 per long ton effective July 1, 2008 (rate set annually, based on sulfur producer price index).

Georgia

No comparable tax.

Mississippi

A severance tax is levied at the rate of 6% of the value at the point of production for both oil and gas. Reduced rates are provided for oil and gas produced from coal seams, discovery wells, development wells, inactive wells, and enhanced recovery projects. An Oil and Gas Board maintenance tax is imposed, not to exceed 60 mills per barrel of oil or 6 mills per 1,000 cubic feet of gas.

Tennessee

A severance tax equal to 3% of the sales price of oil or gas removed is collected. No tax is imposed on the following: (1) free gas used by a property owner or tenant under terms of a lease, unless in lieu of cash payment; and (2) gas injected into the ground for storage and later withdrawn.

OIL AND GAS PRODUCTION TAX

STATUTORY AUTHORITY:

Sections 9-17-25 through 9-17-33 Code of Alabama 1975, as amended.

TAX BASE:

Tax on the production of oil or natural gas severed from any well or wells in Alabama. (See also OIL AND GAS PRIVILEGE TAX.)

TAX RATE:

2% of the gross value of the oil or gas at the point of production. (See MAJOR EXEMPTIONS.)

COLLECTIONS:

By the Department of Revenue by the 15th day of the second calendar month following the month of production.

Fiscal Year	Collections ($)*	Percent Change
2007-08	55,254,480	37.12
2006-07	40,295,505	(21.67)
2005-06	51,443,631	44.36
2004-05	35,634,666	24.07
2003-04	28,722,479	7.87

* Gross collections.

Source: Department of Revenue's "Revenue Abstract."

MAJOR EXEMPTIONS:

(1) Production from wells permitted on or after July 1, 1996, but before July 1, 2002, is taxed at 1% for a period of five years from the date commercial production begins.

(2) Natural gas lawfully injected into oil or gas pools or reservoirs.

(3) Natural gas lawfully injected into the earth for the purpose of lifting oil or gas. However, if any gas so injected is sold or is injected into underground storage facilities as defined in Section 9-17-150 et seq., then such gas is not exempt.

(4) Natural gas lawfully vented or flared in connection with the production, treatment or processing of oil or gas.

DISTRIBUTION:

The entire proceeds are deposited into the State General Fund.

LEGISLATIVE HISTORY:

Acts 1945, No. 1, p. 1

Established production tax at current rate to defray the expenses of enforcing Title 9, Chapter 17, Article 1 of the Code of Alabama 1975; and provided that tax returns and payments are due on the 15th day of the month following the month of production.

Acts 1961, 1st Ex. Sess., No. 95, p. 2008

Provided that the receipts from the tax be deposited into the State General Fund and expended as appropriated by the Legislature.

Acts 1996, 2nd Ex. Sess., No. 877, p. 1688

Reduced the tax rate to 1% for a 5-year period beginning with the date production began on oil or gas produced from wells permitted on or after July 1, 1996, but before July 1, 1999.

Acts 1999, No. 584. p. 1332

Extended the reduced tax rate granted under Act 96-877 that was scheduled to expire July 1, 1999. The extension was made through July 1, 2002.

COMPARISON WITH NEIGHBORING STATES:

See the comparison for the OIL AND GAS PRIVILEGE TAX.

OTHER INFORMATION:

State of Alabama Oil and Gas Production.

Fiscal Year	Oil (Barrels)	Gas (1,000 C.F.)	Condensate (Barrels)
2006-07	5,002,884	293,194,266	2,194,468
2005-06	5,272,044	313,466,062	2,367,588
2004-05	5,019,838	322,836,585	2,782,050
2003-04	4,656,420	347,325,230	2,836,570
2002-03	5,051,614	384,282,801	2,946,214

Source: State Oil and Gas Board.

LEASE OF OIL AND GAS RIGHTS

CONSTITUTIONAL PROVISIONS:

Amendment No. 450 to the Constitution of Alabama of 1901, now appearing as Section 219.02 of the Official Recompilation of the Constitution of Alabama of 1901, as amended (proposed by Act 85-79, 1st Ex. Sess., proclaimed ratified June 4, 1985)

Established the Alabama Trust Fund and provided that 99% of any proceeds received after August 14, 1984, from the lease of offshore lands become a part of the trust capital. 1% of proceeds are allocated to the State Lands Fund.

Amendment No. 666 to the Constitution of Alabama of 1901, now appearing as Section 219.04 of the Official Recompilation of the Constitution of Alabama of 1901, as amended (proposed by Act 00-491, proclaimed ratified December 13, 2000)

Established the County and Municipal Government Capital Improvement Trust Fund and the Alabama Capital Improvement Trust Fund; redistributed 35% of the oil and gas capital payments in the previous fiscal year to the County and Municipal Government Capital Improvement Trust Fund (7%) and the Alabama Capital Improvement Trust Fund (28%); and approved the issuance of general obligation bonds in an aggregate principal amount not exceeding $350 million for the purposes of: (1) making capital improvements to the state dock facilities at the Port of Mobile, (2) promoting economic development and industrial recruitment in the state, (3) providing the local government match monies required to issue federal grant revenue bonds for road and bridge improvements, and (4) providing funds to municipal governments for infrastructure improvements. (See also "Alabama Trust Fund.")

Amendment No 796 to the Constitution of Alabama of 1901, now appearing as Section 219.041 of the Official Recompilation of the Constitution of Alabama of 1901, as amended (proposed by Act 07-05, proclaimed ratified June 28, 2007)

Increased the bonding authority under Amendment 666 above to an amount not exceeding $750 million. (See also "DEPOSITS - Alabama Trust Fund.")

STATUTORY AUTHORITY:

Sections 9-17-60 through 9-17-69 Code of Alabama 1975, as amended.

TAX BASE:

The Commissioner of Conservation and Natural Resources is authorized to lease any lands or interest therein under the Department's jurisdiction for exploration, development, and production of oil, gas, and other minerals. The Commissioner is authorized to lease same by request of the head of any state department with respect to land owned by that department. The Commissioner may also lease any land or interest therein under navigable streams or waterways for the same purposes.

TAX RATE:

Varies according to the provisions enumerated in the lease contract.

COLLECTIONS:

By the Department of Conservation and Natural Resources.

Fiscal Year	Collections ($)	Percent Change
2007-08	352,886,258	35.61
2006-07	260,213,980	(30.73)
2005-06	375,676,716	38.42
2004-05	271,409,864	2.70
2003-04	264,283,536	(11.66)

Source: "Comparative Summary of Revenues by Revenue Source" Report - Comptroller's Office.

DISTRIBUTION:

(1) 10% of all revenue, except revenue from the lease of submerged lands in the Gulf of Mexico, is deposited to the credit of the State Lands Fund to cover the cost of administration for the Department of Conservation and Natural Resources. One percent of revenue from the lease of submerged lands in the Gulf of Mexico is deposited to the credit of the State Lands Fund.

(2) All revenue from properties of a department, except 10%, is deposited to the credit of that department.

(3) All revenue from the lease of streams or waterways, except 10%, is deposited into the State General Fund.

(4) 65% of the remaining revenue from the lease of submerged lands in the Gulf of Mexico becomes part of the trust capital of the Alabama Trust Fund (see also DEPOSITS-Alabama Trust Fund).

(5) 35% of the remaining revenue is distributed as follows: to the Alabama Capital Improvement Fund, 28%; and to the County and Municipal Government Capital Improvement Fund, 7%.

LEGISLATIVE HISTORY:

Acts 1953, No. 825, p. 1111

Authorized and provided for the manner in which the Director of Conservation may execute oil, gas, and mineral leases on all lands owned by a state department.

Acts 1956, 1st Ex. Sess., No. 158, p. 224

Repealed and rewrote Act 53-825 and authorized leases to be made on the basis of competitive bids.

Acts 1957, No. 611, p. 877

Required invitations for bids to be published at least 25 days before the final date for submitting bids; and required the Commissioner of the Department of Conservation and Natural Resources to either accept the most advantageous offer or reject all bids within five days of the date bids are opened.

Acts 1963, No. 529, p. 1141

Authorized the Department of Conservation and Natural Resources to charge a fee for copies of oil and gas lease tract charts; and required that advertising costs be borne by the agency requesting the lease of state lands.

Acts 1969, No. 479, p. 935

Provided further for the execution of oil and gas leases; and provided for the current distribution of revenue, except revenue from the lease of submerged lands in the Gulf of Mexico.

COMPARISON WITH NEIGHBORING STATES:

Florida

Oil and gas leases are executed in accordance with the authority granted to the Division of State Lands of the Department of Environmental Protection. Royalties are returned to the Department.

Georgia

No comparable law.

Mississippi

Oil and gas leases are executed in accordance with the authority granted to the Mississippi Department of Environmental Quality. Royalties are distributed to an education trust fund; to a gulf and wildlife protection fund; and for administrative costs of the Department.

Tennessee

No comparable law.

OUTDOOR ADVERTISING PERMITS

STATUTORY AUTHORITY:

Sections 23-1-270 through 23-1-288 Code of Alabama 1975, as amended.

TAX BASE:

Fee for the erection of outdoor advertising signs which are visible from interstate or primary highways.

TAX RATE:

(1) $25 initial fee for each outdoor advertising sign location covered in the permit.

(2) $10 annual renewal fee. (Permits are for a calendar year and are not prorated for a partial year.)

See NOTE below for information about and fees for "interstate logo" program.

COLLECTIONS:

By the State Department of Transportation upon receipt of a permit application and each year thereafter between January 1 and February 15.

Fiscal Year	Collections ($)	Percent Change
2007-08	1,431,508	7.57
2006-07	1,333,286	14.16
2005-06	1,167,918	7.86
2004-05	1,082,822	1.45
2003-04	1,067,344	28.19

See NOTE below for amount of above collections that are from the "interstate logo" program.

Source: "Comparative Summary of Revenues by Revenue Source" Report - Comptroller's Office.

NOTE:

The Alabama Department of Transportation operates an "interstate logo" program that displays specific service signs at various points along interstates in Alabama. These signs provide location information for sponsoring restaurants, gas stations, camp grounds and other area attractions. The annual operating fee for these service signs is an amount administratively set by the Department of Transportation. Depending upon the type and size of the service signs, the annual operating fee currently ranges from $100 to $450. Revenue collected by the Department from the logo signs is deposited into the Airports Development Fund and is earmarked by the

Department of Transportation for the state Aeronautics program to be used for airport development. Of the above collections data, in FY 2004, FY 2005, FY 2006, FY 2007, and FY 2008 the logo program generated $988,188, $1,015,424, $1,083,946, $750,000, and $1,362,708 respectively, while the outdoor advertising permit fee generated $79,155, $67,398, $83,972, $583,286, and $68,800 respectively.

MAJOR EXEMPTIONS:

Signs of less than one square foot in area, excluding the support, that is erected by a public utility to mark the location of underground public utility facilities.

DISTRIBUTION:

Permit fees for outdoor advertising signs are deposited to the Public Road & Bridge Fund and fees from "interstate logos" are deposited to the Airports Development Fund.

LEGISLATIVE HISTORY:

Acts 1971, 3rd Ex. Sess., No. 276, p. 4544

Provided for the issuance of permits and the collection of permit fees at rates of $5 for initial permit and $3.50 for renewal.

Acts 1978, No. 383, p. 347

Increased outdoor advertising permit fees to current rates.

COMPARISON WITH NEIGHBORING STATES:

Florida

Fee of $44 per year for signs less than 200 square feet; $64 per year for signs 200 square feet and over. Persons engaged in the outdoor advertising business pay an annual license fee of $300.

Georgia

Application fee for an outdoor advertising permit is $50; annual renewal fee of $25.

Mississippi

An initial permit fee of $85; annual renewal fee of $20.

Tennessee

Application fee of $200 per sign face; renewal fee of $40 for 2008; $50 for 2009; $60 for 2010; and $70 for 2011 and thereafter for annual renewal of each permit.

OVERSIZE/OVERWEIGHT PERMIT FEES

CONSTITUTIONAL PROVISION:

Amendment No. 93 to the Constitution of Alabama of 1901, as amended by Amendment No. 354, now appearing as Section 111.06 of the Official Recompilation of the Constitution of Alabama of 1901, as amended

Amendment No. 93 (ratified November 19, 1952) provided that no monies derived from any fee, excise or license tax, levied by the state, relating to (1) registration, operation, or use of vehicles; or (2) fuels used for propelling vehicles except pump taxes shall be expended for any purpose other than administration of said laws, cost of construction, reconstruction, maintenance and repair of public highways and bridges, costs of highway rights of way, payment of highway obligations, the cost of traffic regulation, and the expense of enforcing state traffic and motor vehicle laws.

Amendment No. 354 (ratified November 10, 1976) provided that the Legislature may provide for the manufacture, distribution and use of personalized license plates and also require the payment of an additional fee to be used in such manner as prescribed by the Legislature.

NOTE: The above restriction does not apply to fees and taxes levied by counties and municipalities pursuant to authority granted by the state.

STATUTORY AUTHORITY:

Section 32-9-29 Code of Alabama 1975, as amended.

TAX BASE:

Fee for the operation and/or movement of vehicles upon the public roads of this state whose weight, width, length or height, or combination thereof, exceeds the maximum limit(s) specified by law.

TAX RATE:

(1) Annual permits - $100.

(2) Single trip permits:

- (a) Mobile homes, modular homes, sectional homes, portable buildings and boats:
  - (i) $10 - up to and including 12 ft. wide and 75 ft. long.
  - (ii) $20 - boats in excess of 12 ft. wide and mobile homes, modular homes, sectional houses and portable buildings in excess of 12 ft. wide and/or 75 ft. long.
- (b) Heavy commodities or equipment:
  - (i) $10 - over on any limitations as to length, height or width.

(ii) $10 - over on weight from 80,001 lbs. up to 100,000 lbs.

(iii) $30 - over on weight from 100,001 lbs. up to 125,000 lbs.

(iv) $60 - over on weight from 125,001 lbs. up to 150,000 lbs.

(v) $100 - over on weight from 150,001 lbs. and over.

(c) Miscellaneous:

(i) $20 for houses.

(ii) $10 for off-road equipment.

(iii) $20 for other oversized vehicles, loads, and equipment not otherwise specified.

(iv) $10 for other overweight loads not otherwise specified.

(v) $100 annual permit fee for rubber-tired equipment used solely in the scope and operation of mining refractory grade bauxite and which exceeds maximum limits with some restrictions.

COLLECTIONS:

By the State Department of Transportation upon receipt of a permit application.

Fiscal Year	Collections ($)	Percent Change
2007-08	3,721,991	3.06
2006-07	3,611,310	4.13
2005-06	3,468,040	18.12
2004-05	2,936,092	4.06
2003-04	2,821,645	(2.93)

Source: "Comparative Summary of Revenues by Revenue Source" Report - Comptroller's Office.

MAJOR EXEMPTIONS:

Farm and/or agricultural commodities and equipment.

DISTRIBUTION:

All permit fees are deposited to the Public Road & Bridge Fund.

LEGISLATIVE HISTORY:

Acts 1932, Ex. Sess., No. 58, p. 68

Provided that the State Highway Commission prescribe rules and regulations for issuance by it (at no cost to applicant) of special permits for the transportation of oversize, overweight or

overlength commodities and for the operation of super heavy or oversize motor trucks, semitrailer trucks and trailers.

Acts 1977, No. 775, p. 1332

Provided further for the issuance of special permits for movement of certain oversized and overweight vehicles and loads on the state highway system; and authorized the Highway Director to collect fees for the issuance of such permits at current rate.

Acts 1977, 1st Ex. Sess., No. 78, p. 1506

A Senate Joint Resolution expressing that the intent of the Legislature, relative to Act 77-775, was to exempt farm equipment and agricultural commodities and equipment from the provisions of said act related to oversize, overweight permits.

Acts 1978, No. 837, p. 1241

Specifically exempted farm and agricultural commodities and equipment from the requirement of obtaining permits for movement on the state highway system of heavy commodities or equipment.

Acts 1998, No. 321, p. 562

Provided for an annual $100 permit fee for the operation of oversized rubber-tired equipment used solely for mining refractory grade bauxite.

COMPARISON WITH NEIGHBORING STATES:

Florida

Overdimension trip permits (5-day) from $5-$25. Overweight trip permits (5-day) from $0.27-$0.47 per mile to $.003 per 1,000 lbs. per mile, based upon weight. Blanket (annual) permits for overdimension loads from $20-$500 for 12 months. Blanket (annual) permits for overweight and overdimension loads from $240-$400 for 12 months. Some restrictions.

Georgia

Single trip permit fees from $30-$500, depending upon dimensions and weight. Annual permit fees from $150-$500, based on dimensions and weight. Vehicles hauling cotton and tobacco products can receive a $25 permit valid for six months provided the vehicles do not engage in interstate travel.

Mississippi

Trip permit fee for overweight loads over 80,000 lbs. of $.05 for each thousand pounds over 80,000 times the number of miles traveled in Mississippi. Oversize load trip permit fee of $10 for a single trip. If the load is both oversized and overweight, both fees are imposed. Temporary permit is issued for a period of up to 72 hours and for the sum of $25. Blanket (annual) permit is $100 each for overweight and/or oversize, prorated for the time left on insurance but for no less than three months.

Tennessee

(1) Single trip permits (overdimensional loads):

(a) up to 10 ft. wide - $10.

(b) over 10 ft. and up to 12 ft. - $15.

(c) over 12 ft. and up to 14 ft. - $25.

(d) over 14 ft. and up to 16 ft. - $30.

(e) over 16 ft. - $30 plus $5 for each additional foot or fraction thereof over 17 ft.

(f) for excessive height - add $15.

(g) for excessive length - add $15.

(h) for excessive weight - $15 + $.05/ton mile (>150,000 lbs. special permit).

(2) Single trip permits (overweight loads):

(a) $15 plus $.05/ton mile.

(3) Annual permits:

(a) for weight up to 120,000 lbs. - $500.

(b) for weight over 120,000 lbs. - $1,000.

(4) Evaluation of bridges and similar structures:

(a) for weight greater than 200,000 lbs. but less than 300,000 lbs. - $100.

(b) greater than 300,000 lbs. but less than 500,000 lbs. - $300.

(c) greater than 500,000 lbs. but less than 1 million lbs. - $500.

(d) 1 million lbs. or more – actual cost.

PARI-MUTUEL POOL TAXES

(A) Dog Track Tax

(B) Horse Wagering Fee

STATUTORY AUTHORITY:

(A) Sections 40-26A-1 though 40-26A-17 Code of Alabama 1975, as amended.

(B) Sections 11-65-28.1 and 11-65-29 Code of Alabama 1975, as amended.

TAX BASE:

A tax levied on persons engaged in the business of operating a dog or horse track, based upon the total amount wagered (pool) on all pari-mutuel races (both live and simulcast). (A pari-mutuel race is a race wherein individuals who wager on winners divide the total amount wagered in proportion to their individual wagers, after deduction of authorized taxes, fees and management expenses.)

TAX RATE:

(A) State tax of 1% of the pari-mutuel pool on all pari-mutuel races plus 1% of the pari-mutuel pool on all pari-mutuel races requiring the selection of three or more racers. Local tax rates for facilities located in counties designated are as provided by the following acts:

(a) Greene Co. (4%) - Act 75-376, p. 926; Act 85-936, 2nd Ex. Sess., p. 238.

(b) Jefferson Co. (2%/4%) - Act 91-187, p. 246.

(c) Macon Co. (4%) - Act 83-575, p. 882; Act 87-207, p. 295.

(d) Mobile Co. (7%) - Act 71-2431, p. 3880; Act 75-1095, p. 2164; Act 81-745, p. 1272; Act 89-696, p. 1376; Act 92-105, p. 169.

(B) State tax of 1% of the pari-mutuel pool on all horse races. A local tax rate is also provided for facilities located in Jefferson Co. (2%/4%) by Act 84-131, p. 159.

COLLECTIONS:

By the Department of Revenue by the 20th day of the month following the month in which the wagers were made.

Fiscal Year	State Only Collections ($)	Percent Change
2007-08	2,668,067	(10.11)
2006-07	2,968,111	(7.45)
2005-06	3,206,932	3.60
2004-05	3,095,613	(4.04)
2003-04	3,226,067	(5.55)

Source: Department of Revenue's "Revenue Abstract."

MAJOR EXEMPTIONS:

None.

DISTRIBUTION:

After the cost of collection is deducted, all proceeds are deposited into the State General Fund.

LEGISLATIVE HISTORY:

Acts 1984, No. 131, p. 159

Established state horse wagering fee of 1% to be effective after the fifth anniversary of the date on which horse racing was first conducted.

Acts 1988, 2nd Ex. Sess., No. 952, p. 575

Established the state dog racetrack pari-mutuel pool tax.

Acts 1989, No. 696, p. 1376

Clarified the non-payment of the additional 1% tax by the Mobile County dog track on races requiring the selection of three or more racers.

Acts 1998, No. 128, p. 188

Provided further for the take-out from pari-mutuel pools for the Jefferson County racetrack.

Acts 1998, No. 130, p. 190

Provided further for the take-out from pari-mutuel pools for the Macon County racetrack.

COMPARISON WITH NEIGHBORING STATES:

Florida

Tax on handle levied as follows:

Dog Racing: Live and intertrack wagering tax of 7.6% of handle. On intertrack wages the tax may be lower depending upon the location of the tracks and the type of permit held. Also rate is lower if total tax on intertrack handle paid by permit holder during current state fiscal year exceeds the total tax on intertrack handle paid by permit holder during the 1992-93 fiscal year. The 7.6% is levied on wagers in excess of $100,000 per performance for live racing. When total tax savings per fiscal year reaches $360,000, tax is applied to all wagers.

Horse Racing: Live thoroughbred and harness horse performances is 0.5%. Intertrack wagering is 3.3% with lesser rates for simulcast, determined by location of guest track, and number of tracks within geographical area.

Georgia, Mississippi and Tennessee

No dog or horse tracks.

PLAYING CARD TAX

STATUTORY AUTHORITY:

Section 40-12-144 Code of Alabama 1975, as amended.

TAX BASE:

A privilege tax imposed on packaged playing cards and sellers thereof.

TAX RATE:

(1) $.10 per package or deck of playing cards, numbering not more than 54 cards per pack.

(2) $2 annual license tax on retail dealers selling playing cards.

COLLECTIONS:

Privilege stamp tax is collected by the Department of Revenue as stamps are purchased.

Fiscal Year	Collections ($)*	Percent Change
2007-08	86,136	(16.31)
2006-07	102,924	16.42
2005-06	88,410	(3.91)
2004-05	92,005	(5.22)
2003-04	97,074	(23.71)

*Does not include $2 license tax on retail dealers (see PRIVILEGE LICENSE TAX).

Source: "Comparative Summary of Revenues by Revenue Source" Report – Comptroller's Office.

MAJOR EXEMPTIONS:

None.

DISTRIBUTION:

All proceeds are deposited into the State General Fund.

LEGISLATIVE HISTORY:

Acts 1935, No. 194, p. 256

Established tax on playing cards numbering not more than 54 per pack $.01 for each $.05, or fractional part thereof, of the retail-selling price; also established an annual license tax of $2 on each retail dealer, included in the general category of privilege license taxes. (See PRIVILEGE LICENSE TAX.)

Acts 1951, No. 978, p. 1653

Changed the tax on playing cards, numbering not more than 54 per pack, to current rate.

COMPARISON WITH NEIGHBORING STATES:

Florida, Georgia, Mississippi and Tennessee

No comparable tax.

PRIVILEGE LICENSE TAX

STATUTORY AUTHORITY:

Sections 40-12-1 through 40-12-180 Code of Alabama 1975, as amended, plus various other sections of the Code relating to specific occupations and businesses (see "Cross References" at Title 40, Chapter 12, Article 2).

TAX BASE:

Privilege tax on persons, firms, corporations, companies, associations, receivers or trustees engaged in certain businesses, vocations, or professions.

TAX RATE:

Rates vary according to the nature of the enterprise, and may also vary according to the population of the municipality in which the business is located, volume of business, capital invested or certain other conditions as specified in the Code of Alabama 1975, as amended. A $1 license issuance fee is also required. For each state business, vocation or occupational license levied by Title 40, Article 2 of Chapter 12 of the Code an additional amount, equal to one-half the state levy (except as otherwise specifically provided), is levied and collected as a county tax. Businesses, vocations and occupations may also be subject to municipal licensing requirements which vary from city to city. Municipal licenses are issued and administered by the municipalities.

COLLECTIONS:

By probate judges, license commissioners or the Department of Revenue each October 1, unless otherwise specified.

Fiscal Year	Collections ($)*	Percent Change
2007-08	5,640,164	(0.97)
2006-07	5,695,696	0.26
2005-06	5,681,124	5.84
2004-05	5,367,788	8.35
2003-04	4,954,251	4.07

*General Fund collections only.

Source: "Comparison of Net Receipts" Report - Comptroller's Office.

DISTRIBUTION:

After deducting the cost of collection (up to 5%), privilege license taxes are distributed to the State General Fund unless otherwise specified or unless there is a corresponding county license tax. When both a state and county license tax are levied, the total collections for that tax are distributed 50% to the State General Fund and 50% to the County General Fund of the county where the tax is collected (even though the state tax may be greater than the county tax).

LEGISLATIVE HISTORY:

Acts 1935, No. 194, p. 256

Established privilege license tax and distribution.

Acts 1943, No. 546, p. 535

Established issuance fee at $.50 and provided for the levy of county tax equal to one-half of state tax.

Acts 1955, No. 572, p. 1248

Provided for the current distribution of tax proceeds when both state and county license taxes are levied.

Acts 1984, No. 446, p. 1040

Increased issuance fee to current amount.

COMPARISON WITH NEIGHBORING STATES:

Florida

The state imposes miscellaneous license and inspection fees that are generally regulatory. Counties and incorporated municipalities may levy occupational license taxes for the privilege of engaging in or managing any business, profession, or occupation within their jurisdictions. Annual licenses are issued, and rates vary according to the type of business. Local governments may levy an additional license tax of up to 50% of the appropriate tax already imposed.

Georgia

Annual licenses are issued at varying rates for each person engaging in a business or occupation. The fees are generally regulatory rather than revenue producing and most of the fees are paid to the state, rather than county or municipal authorities. Counties and incorporated municipalities may levy occupational license taxes for the privilege of engaging in or managing any business, profession, or occupation within their jurisdictions.

Mississippi

Miscellaneous license taxes are levied for regulatory purposes. Counties and municipalities levy a local privilege tax based upon number of employees and annual license fees on specific businesses.

Tennessee

License taxes are levied as flat fees or are graduated according to the population of the place where the business is located. When rates depend on population, the federal census is used. Yearly rates have been established, but licenses may be obtained and taxes paid quarterly. License taxes are paid to the County Clerk.

PUBLIC SERVICE COMMISSION INSPECTION, SUPERVISION, AND REGULATION FEES

Gas Pipeline Safety Inspection Fee

STATUTORY AUTHORITY:

Section 37-4-88 Code of Alabama 1975, as amended.

TAX BASE:

An inspection fee for the purpose of enforcing gas pipeline safety requirements on any gas system operated by any investor-owned company, city, county, municipality, or public gas district which comes under supervision of the Commission.

TAX RATE:

Inspection fee of $.50 per active service line for the previous calendar year.

COLLECTIONS:

By the Public Service Commission annually on October 1.

Fiscal Year	Collections ($)	Percent Change
2007-08	522,670	0.89
2006-07	518,051	1.38
2005-06	510,990	0.95
2004-05	506,189	1.61
2003-04	498,159	1.15

Source: "Comparative Summary of Revenues by Fund" Report - Comptroller's Office.

DISTRIBUTION:

All inspection fees collected are paid into the Gas Pipeline Safety Fund. If by September 30 in any fiscal year, the Fund accumulates an amount equal to 110% of the amount budgeted in that fiscal year for the purpose of enforcing gas pipeline safety, the Commission shall suspend the collection of the inspection fees for one year.

LEGISLATIVE HISTORY:

Acts 1983, No. 588, p. 920

Established the fee at the current rate.

COMPARISON WITH NEIGHBORING STATES:

Florida

The maximum fee that may be charged is .25% gross operating revenue derived from intrastate business.

Georgia

No comparable fee.

Mississippi

Operating expenses of the Public Service Commission are paid by levying a tax on municipally owned and/or operated gas utilities, sufficient to produce $25,000 per year, prorated among such utilities according to their annual gross revenue from intrastate operations for the preceding year.

Tennessee

The inspection and supervision fee is measured by the number of active gas meters in service within the service area of each public utility, municipal gas system and gas utility district as follows (where there are no meters, the fee is to be measured by the number of active services):

All meters in service, up to 154 meters	$100
155 meters up to 2,000 meters	$.65 per meter
2,001 meters up to 10,000 meters	$.50 per meter
10,001 meters and over	$.35 per meter
Minimum fee	$100

The fee on interstate pipeline companies or systems, or companies having no gross receipts, no active gas meters in service or other service in Tennessee, but traversing the state in the transmission of gas service, is $4.75 per mile of 24-inch equivalent pipeline. Minimum fee is $100. The following service or inspection fee rates are based on gross receipts over $5,000:

Excess of $5,000	**Per $1,000**
First $1,000,000	$3.00
Over $1,000,000	$2.00
Minimum rate - $100	

Transportation Company Inspection and Supervision Fee

STATUTORY AUTHORITY:

Section 37-2-41 Code of Alabama 1975, as amended.

TAX BASE:

An inspection and supervision fee on transportation companies (including telephone companies) doing business in the state as a common carrier and subject to the control and jurisdiction of the Commission with respect to its rates and service regulations.

TAX RATE:

Fees are based on gross intrastate receipts for the preceding fiscal year:

Gross Receipts	Rate per $1,000
First $100,000 or less	$2.85
$100,001 to $1,000,000	$2.35
In excess of $1,000,000	$1.85

Minimum rate - $25; Maximum rate for railroad companies - $5,000/yr.

Providers of pay telephone service over instruments owned and/or operated by local exchange companies, interexchange companies, and customer-owned, coin-operated telephone service providers may elect to pay a fee, in lieu of the fees above, in the amount of $10 per instrument.

COLLECTIONS:

By the Public Service Commission on a quarterly basis (November 1, February 1, May 1 and August 1), or annually (on November 1) if the company elects to pay annually.

Fiscal Year	Collections ($)	Percent Change
2007-08	3,113,638	(3.17)
2006-07	3,215,676	(0.63)
2005-06	3,236,089	(0.60)
2004-05	3,255,621	0.95
2003-04	3,225,022	(2.50)

Source: “Comparative Summary of Revenues by Revenue Source” Report - Comptroller's Office.

DISTRIBUTION:

All proceeds are held in the Commission's operating fund to be used for expenses of the Commission.

LEGISLATIVE HISTORY:

Acts 1920, No. 37, p. 38

Established the following annual inspection and supervision fees for public utilities (as defined in the act):

Gross Receipts	Rate per $1,000
First $10,000 or less	$2.50
Up to and including $100,000	$2.00
Up to and including $350,000	$1.50
Up to and including $700,000	$1.25
Up to and including $1,000,000	$1.00
Up to and including $2,000,000	$.75
Up to and including $3,000,000	$.25
In excess of $3,000,000	$.10

Minimum rate - $25
Maximum rate - $3,000

Provided for fees to be paid annually.

Acts 1920, No. 42, p. 92

Provided that the fees established in Act 20-37 also apply to transportation companies (as defined in this act).

Acts 1981, No. 718, p. 1210

Amended inspection and supervision fees paid by transportation companies to the following rates (based on gross intrastate receipts); and provided for quarterly payment:

Gross Receipts	Rate per $1,000
First $100,000 or less	$2.50
$100,001 to $1,000,000	$2.00
In excess of $1,000,000	$1.50

Minimum rate - $25; Maximum rate for railroad companies-$5,000/yr.

Acts 1985, No. 756, p. 1256

Provided that transportation companies with gross intrastate receipts in excess of $60 million per calendar quarter be required to pay inspection and supervision fees based on the quarter rather than the preceding fiscal year.

Acts 1989, No. 943, p. 1852

Provided fee payment option of $10 per instrument annually in lieu of existing fees for providers of pay telephone service; and authorized the Commission to deposit transportation company inspection and supervision fees into the Commission's operating fund, to be used for any expenses incurred by the Commission under Title 37.

Acts 1991, No. 586, p. 1075

Established the current rate schedule.

COMPARISON WITH NEIGHBORING STATES:

Florida

Each regulated company pays a prescribed fee based upon gross operating revenues derived from intrastate business, that may not be less than $25 annually, to pay the expenses of the Public Service Commission. Each telecommunications company licensed and operating must pay the PSC a fee that may not be less than $50 per year and may not exceed 0.25% annually of the company's gross operating revenues from intrastate business. In addition, the Commission shall by rule assess a minimum fee in an amount up to $1,000, of which such amount may vary depending on the type of service provided.

Georgia

Public service corporations and utilities subject to Public Service Commission jurisdiction must pay an annual fee set by the Revenue Commissioner according to the gross revenues of each public service corporation or utility resulting from intrastate service regulated by the Commission. The fee is apportioned among such public service corporations or utilities so as to produce $1.05 million per year.

Mississippi

Railroads pay a regulatory tax that ranges from $5 to $90 per mile of track, depending upon the average earnings of the railroad. To produce the amount required to meet the administrative expenses of the PSC in regulating and supervising railroad companies operating in Mississippi, the State Tax Commission prorates a tax of $201,000 among taxable railroad companies according to track miles operated during the calendar year preceding the assessment. Pipeline companies pay from $15 to $125 on each mile of pipe, depending on the diameter of the pipe.

Tennessee

The following fees are based on gross receipts over $5,000 and must be paid by every public utility company subject to control and jurisdiction of the Tennessee Regulatory Authority:

Excess over $5,000	**Rate per $1,000**
First $1,000,000	$3.00
Over $1,000,000	$2.00
Minimum rate - $100	

Railroads doing business and subject to control and jurisdiction of the Department of Transportation pay an inspection and supervision fee equal to $.04 per $1,000 ton-miles operated in Tennessee (minimum fee of $100).

Utility Company Inspection and Supervision Fee

STATUTORY AUTHORITY:

Section 37-4-23 Code of Alabama 1975, as amended.

TAX BASE:

An inspection and supervision fee on utility companies (including electric, gas and water companies) doing business in the state and subject to the control and jurisdiction of the Commission with respect to its rates and service regulations.

TAX RATE:

Fees are based on gross intrastate receipts as follows:

Gross Receipts	Rate per $1000
First $100,000 or less	$2.85
$100,001 to $1,000,000	$2.35
In excess of $1,000,000	$1.85
Minimum rate - $25	

COLLECTIONS:

By the Public Service Commission on a quarterly basis (November 1, February 1, May 1 and August 1), or annually (on November 1) if the company elects to pay annually.

Fiscal Year	Collections ($)	Percent Change
2007-08	9,937,429	7.29
2006-07	9,262,465	9.31
2005-06	8,473,659	10.15
2004-05	7,693,173	8.01
2003-04	7,122,545	6.87

Source: “Comparative Summary of Revenues by Revenue Source” Report - Comptroller's Office.

DISTRIBUTION:

All proceeds are held in the Commission's operating fund to be used for expenses of the Commission.

LEGISLATIVE HISTORY:

Acts 1920, No. 37, p. 38

Established the following annual inspection and supervision fees for public utilities (as defined in the act):

Gross Receipts	Rate per $1,000
First $10,000 or less	$2.50
Up to and including $100,000	$2.00
Up to and including $350,000	$1.50
Up to and including $700,000	$1.25
Up to and including $1,000,000	$1.00
Up to and including $2,000,000	$.75
Up to and including $3,000,000	$.25
In excess of $3,000,000	$.10

Minimum rate - $25
Maximum rate - $3,000
Provided for fees to be paid annually

Acts 1932, Ex. Sess., No. 232, p. 233

Changed the inspection and supervision fees to the following rates (based on gross intrastate receipts):

Gross Receipts	Rate per $1,000
First $100,000 or less	$2.50
$100,001 to $1,000,000	$2.00
In excess of $1,000,000	$1.50

Minimum rate - $25

Acts 1981, No. 718, p. 1210

Provided that fees are to be paid to the Commission quarterly.

Acts 1985, No. 756, p. 1256

Provided that utilities with gross intrastate receipts in excess of $60 million per calendar quarter be required to pay inspection and supervision fees based on the quarter rather than the preceding fiscal year.

Acts 1989, No. 943, p. 1852

Authorized the Commission to deposit utility company inspection and supervision fees into the Commission's operating fund, to be used for any expenses incurred by the Commission under Title 37.

Acts 1991, No. 586, p. 1075

Established the current rate schedule.

COMPARISON WITH NEIGHBORING STATES:

Florida

Each regulated company shall pay a prescribed fee based upon the gross operating revenues derived from intrastate business to pay the expenses of the Public Service Commission. In no event shall such fee be less than $25 annually.

Georgia

All public service corporations and utilities that are subject to the jurisdiction of the Public Service Commission pay an annual fee fixed by the State Revenue Commissioner according to the gross revenues of each public service corporation or utility resulting from intrastate service regulated by the Commissioner. The fee is apportioned among those entities in order to produce revenue of $1.05 million per year.

Mississippi

Electric, gas, water, telephone and telegraph companies regulated by the Public Service Commission are required to pay regulatory fees on gross revenues from intrastate operations of .164 of 1% per year and .90 of 1% per year of the gross revenues from the intrastate operations of electric power associations and rural electrification authorities. The total revenue collected shall not exceed the total legislative appropriation of monies from the Public Utilities Staff Regulation Fund and the Public Service Commission Regulation Fund from the ensuing fiscal year.

Tennessee

The following service or inspection fees are based on gross receipts over $5,000 and must be paid by every public utility company subject to control and jurisdiction of the Tennessee Regulatory Authority:

Excess of $5,000	**Rate per $1,000**
First $1,000,000	$3.00
Over $1,000,000	$2.00
Minimum rate - $100	

SALES TAX

STATUTORY AUTHORITY:

Sections 40-23-1 through 40-23-39 and 40-23-100 through 40-23-213 Code of Alabama 1975, as amended.

TAX BASE:

Tax imposed on the gross proceeds from the sale of all taxable items to individuals and/or corporations within the state and on the gross proceeds from conducting or operating public places of amusement or entertainment.

TAX RATE:

4% of the gross receipts from sales of tangible personal property; 4% of gross receipts from amusement or entertainment businesses; 1.5% for machinery used in mining, quarrying, compounding, processing, and manufacturing tangible personal property; 2% for retail sales of mobile home set-up materials and related supplies and retail sales of automotive vehicles, motorboats (pursuant to Department of Revenue regulation 810-6-1-.12), truck trailers, semitrailers, or house trailers (when a trade-in is involved, tax is 2% of the net difference); 2% for "casual sales" (purchase, other than at wholesale, from someone who is not a licensed dealer) of automotive vehicles, truck trailers, trailers, semitrailers, travel trailers, motorboats (pursuant to Department of Revenue regulation 810-6-1-.12) or mobile homes; 1.5% on farm machinery and equipment which is used for agricultural purposes; and 3% on food products sold through vending machines. (Information on local rates follows LEGISLATIVE HISTORY.)

COLLECTIONS:

By the Department of Revenue on the 20th of each month for previous month's sales. Vendors who file tax returns on time are entitled to a discount of 5% on the first $100 of tax and 2% on all tax over $100, but the discount is limited to a total maximum discount of $400 per month to any license holder regardless of the number of retail locations. Penalty charges plus interest charges may also be imposed on vendors who file deficient or delinquent sales tax returns. Vendors whose average monthly tax liability exceeds $1,000 must make estimated payments on or before the 20th day of the month in which the liability occurs. Vendors whose average monthly liability is less than $200 may make an election to file quarterly rather than monthly.

Fiscal Year	Gross Collections ($)	Percent Change
2007-08*	2,028,954,212	0.56
2006-07	2,017,663,521	2.49
2005-06	1,968,659,604	8.96
2004-05	1,806,806,554	6.09
2003-04	1,703,151,054	8.02

*FY 2008 includes approximately $16 million in accelerated receipts that normally would not have been collected until October 2008 (FY 2009).

Source: Department of Revenue's "Revenue Abstract."

MAJOR EXEMPTIONS:

A listing of exemptions is found in Sections 40-9-9 through 40-9-34 and Sections 40-23-4 through 40-23-5 Code of Alabama 1975, as amended. Additional exemptions are found in Sections 11-92A-18 (county industrial development authorities), 11-54-96 (industrial development boards) and 11-58-14 (medical clinic boards) Code of Alabama 1975, as amended.

DISTRIBUTION:

After the deduction of collection costs, beginning October 1, 2006, 42% of the 2% tax on mobile home set-up materials and related supplies, automotive vehicles, truck trailers, semitrailers or house trailers is deposited into the State General Fund. Of the remaining proceeds: $378,000 is distributed to the 67 counties (half on the basis of population and half equally) to be used exclusively for full-time health service in cooperation with the State Board of Health or the federal government and for extension services in cooperation with the Alabama Agriculture Extension Service or the federal government, at the discretion of the county commissions; $1,322,000 is distributed to the Department of Human Resources for general welfare purposes; an amount equal to 5% of the value of food stamp benefits issued statewide in excess of the amount paid by recipients for administration of the Food Stamp Program is distributed to the Department of Human Resources; an amount for debt service is distributed to the Alabama Public School and College Authority; and the balance is deposited into the Education Trust Fund. Any additional revenue generated as a result of the Governor setting a cap on the sales tax discount allowed to retailers (Executive Order 53, dated May 22, 2001) is deposited into the State General Fund to pay debt service for the then current fiscal year on bonds issued by the Alabama State Parks System Improvement Corporation and/or the Alabama Public Historical Sites and Parks Improvement

Corporation; the greater of $5 million or $5 million adjusted by a percentage growth in receipts from the cap is allocated to the Department of Conservation and Natural Resources (DCNR) for capital outlay, repairs and maintenance of the state parks system; and the remainder to the State General Fund. For distributions of cap proceeds for previous fiscal years see Section 40-23-35, Code of Alabama 1975, as amended.

LEGISLATIVE HISTORY:

Acts 1939, No. 18, p. 16

Established the general sales tax rate at 2% on retail sales of tangible personal property and an amusement or entertainment enterprise and at .5 of 1% for automotive vehicles; provided for the distribution of portions of the proceeds depending on amount of collections to the 67 counties, the several funds to replace the homestead exemption, and the remaining balance to the Special Educational Trust Fund.

Acts 1959, 2nd Ex. Sess., No. 100, p. 298

Re-established sales tax rate at 3% on retail sale of tangible personal property and on amusement or entertainment enterprises; and established a rate at 1.5% for retail sales of machines used in mining quarrying, compounding, processing and manufacturing of tangible personal property and sales of automotive vehicles or truck trailers and semitrailers.

Acts 1963, 2nd Ex. Sess., No. 106, p. 286

Increased sales tax to 4% on tangible personal property and entertainment enterprises.

Acts 1973, No. 1135, p. 1916

Allowed for distribution of funds to counties for the administration of the Food Stamp Act of 1964, PL 88-525.

Acts 1978, No. 359, p. 300

Allowed for distribution of funds to the Department of Human Resources for administration of the Food Stamp Program.

Acts 1981, No. 663, p. 1084

Exempted the sale of prescription drugs from sales tax.

Acts 1981, No. 665, p. 1086

Provided a 1.5% sales tax on the purchase of motor vehicles not bought at wholesale or from a licensed dealer ("casual sales").

PL. 99-198 (Food Security Act of 1985)

Provided that state and local sales taxes could no longer be collected on food stamp purchases, beginning October 1, 1987.

Acts 1987, No. 580, p. 927

Provided that all food stamp purchases be exempt from taxation beginning October 1, 1987. This exemption is contingent upon the continued requirement of federal law that conditions the state's participation in the food stamp program upon exempting from state and local taxes purchases made with food stamps. Provided that the provisions of this act shall become inoperative, null and void if the food stamp sales tax amendment is either ruled unconstitutional or unenforceable by a federal court or is repealed by Congress.

Acts 1987, No. 662, p. 1170

Amended Section 40-23-26 Code of Alabama 1975, to provide that any over-collection of sales tax by a retailer from the customer is to be paid to the state and not retained by the retailer to increase the net profits of the business.

Acts 1988, 1st Ex. Sess., No. 867, p. 372

Increased the retail and "casual" sales tax rate on automotive vehicles, truck trailers, semitrailers, and housetrailers from 1.5% to 2% effective October 1, 1988; and provided that the additional $.005 was to be deposited to the credit of the State General Fund.

Acts 1989, No. 691, p. 1358

Provided for collection of local gross receipts or sales taxes which may exist in the local taxing jurisdiction in which the purchaser resides on sales of automotive vehicles, truck trailers, trailers, semitrailers or housetrailers when such sales are made by a person or firm other than a licensed dealer; by out-of-state dealers; or licensed Alabama dealers (where such local taxes were not collected at the time of purchase).

Acts 1989, No. 752, p. 1526

Amended the state "casual" sales and use taxes to include any mobile home purchased, other than at wholesale, from any person, firm or corporation which is not a licensed dealer engaged in selling mobile homes, effective October 1, 1989.

Acts 1989, No. 920, p. 1823

Provided for a sales tax rate of 2% on materials and supplies to be used for mobile home set-up.

Acts 1992, No. 343, p. 720

Clarified that the state sales tax base is to include consumer excise taxes included in the purchase price of products (applies to alcoholic beverages and tobacco products); restricted the exemptions for fertilizer, insecticides, fungicides and seedlings to "agricultural purposes"; and provided for exemption certification for fertilizer, insecticides, fungicides, and seedlings.

Acts 1993, No. 711, p. 1384

Provided for the collection of state and local sales and use tax from the purchaser of a boat prior to registration.

Acts 1994, No. 622, p. 1162

Consolidated the motorboat sales and use tax with the provisions of motor vehicle sales and use tax.

Acts 1996, No. 785, p. 1459

Allowed Governor to cap the sales tax discount allowed to retailers who collect sales tax; and provided for the distribution of any additional revenue generated as a result of the cap.

Acts 1996, No. 887, p. 1713

Made sales of eyeglasses and related items by optometrists subject to the state sales tax. Previously, these items were taxed at the wholesale level.

Acts 1997, No. 648, p. 1201

Provided that the sale to or use by a manufacturer or compounder of property that becomes an ingredient or component part of a finished product made by the manufacturer or compounder is excluded from taxes as a wholesale sale.

Acts 1997, 1st Ex. Sess., No. 867, p. 208

Provided that the sale of prepaid telephone calling cards and prepaid authorization numbers be treated as the sale of tangible personal property.

Acts 1998, No. 192, p. 310

Provided that county and municipal sales and use taxes must generally conform to the corresponding state levies, except for the rate of tax.

Acts 1999, No. 570, p. 1122

Clarified that refinery, residue, or fuel gas generated by a petroleum-refining process and then utilized in the distillation or refining of petroleum products is exempt from sales and use tax.

Acts 1999, 2nd Ex. Sess., No. 650, p. 96

Changed the distribution of revenue generated from the 2% sales and use tax on automobiles and related items from 25% to the State General Fund and 75% to the Education Trust Fund to 42% to the State General Fund and 58% to the Education Trust Fund, effective January 1, 2001.

Acts 2000, No. 731, p. 1578

Reaffirmed the Governor's authority to cap sales tax discounts; and provided for the distribution of any additional revenue generated from the sales tax discount cap.

Acts 2001, 3rd Ex. Sess., No. 975, p. 908

Exempted sales of tangible personal property to a company actively engaged in the production as a project approved by the Alabama Film Office from the payment of sales taxes until September 30, 2005.

Acts 2001, 4th Ex. Sess., No. 1122, p. 1190

Provided for the distribution of sales and use taxes generated from remote sellers when the U.S. Congress enacts legislation allowing states to collect sales and use taxes on remote sellers: (1) into the Education Trust Fund Rainy Day Account until the fund reaches and maintains a balance of 6% of the previous year's Education Trust Fund appropriations; (2) into the State General Fund Rainy Day Fund until the fund reaches and maintains a balance of 6% of the previous year's State General Fund appropriations; and (3) any remaining collections would be deposited into the Education Trust Fund.

Acts 2004, No. 638, p. 1461

Changed the distribution of revenue generated from the 2% sales tax on automobiles and related items from 42% to the State General Fund and 58% to the Education Trust Fund to the following:

(1) From July 1, 2004, through the fiscal year ending September 30, 2005, 48.7% would be deposited into the Education Trust Fund and 51.3% shall be deposited into the State General Fund.

(2) From October 1, 2005, through the fiscal year ending September 30, 2006, 39.4% would be deposited into the Education Trust Fund and 60.6% shall be deposited into the State General Fund.

Acts 2005, 1st Ex. Sess., No. 305, p. 643

Extended the sunset date for the sales and use tax exemption allowed for film companies approved by the Alabama Film Commission until September 30, 2006.

Acts 2006, No. 574, p. 1507

Established an annual sales and use taxes holiday for the first full weekend in August of each year.

Acts 2006, No. 583, p. 1537

Exempted withdrawals from inventory by retailers from sales and use taxes if made for the purpose of making a gift to an entity that qualifies under federal law to receive tax exempt donations.

Acts 2006, No. 602, p. 1653

Provided that athletic events held by nonpublic schools are exempt from state sales tax.

NOTE REGARDING LOCAL LEVIES:

Municipalities may levy, by ordinance, a sales tax, per Sections 11-51-200 through 11-51-211 of the Code. One-half the amount levied in the municipality may be levied in the police jurisdiction.

Counties may, per Section 40-12-4 of the Code, levy a sales or use tax (referendum is optional) to be used exclusively for public school purposes. A local act may be enacted by the legislature authorizing counties to levy a sales tax for other purposes. A county's sales and use tax rate may very depending upon whether the sale occurs within or outside of a municipality's corporate limits. All local sales and use

taxes are subject to the same exemptions as the state sales and use tax and must generally conform to the corresponding state levies except for the rate of the tax. Municipalities and counties may collect their own sales and use tax. Section 40-23-2.1 provides that only one county and only one municipal tax may be collected on the same sale. A county or municipality may have more than one sales or use tax rate depending on the type of tangible personal property purchased. For example, an automobile rate may differ from the vending machine rate and the general rate.

COMPARISON WITH NEIGHBORING STATES:

Florida

6% basic rate on all taxable transactions.

4% on use of coin-operated amusement machines; 6.45% on beverages and food sold in vending machines; 6.59% on other items sold in vending machines; and 7% on telecommunication service and electrical power or energy. Food is exempt from sales tax. A discount of 2.5% of the first $1,200 of taxes paid is allowed to dealers, sellers, lessors, and remitters, except for mail order dealers whose discount is negotiated not to exceed 10%. Counties may impose a local sales tax. Farm equipment is exempt from tax.

Georgia

4% sales tax rate with a discount of 3% of the first $3,000 and 0.5% of the amount over $3,000 of total state and local sales and use taxes due. Counties may levy a special 1% sales and use tax. County school boards of education may levy a 1% sales and use tax. Counties and municipalities may levy an additional joint 1% sales and use tax. Certain counties may levy a special 1% sales and use tax for rapid transit contracts. The cap on total sales and use tax is 7%. Grocery food is exempt from the state sales tax, but is still subject to local sales taxes.

Mississippi

7% basic rate on tangible personal property with various other sale transaction rates of between 1% and 8%; 1% to 3% rates on various farm-related transactions. Certain counties and cities imposed convention and tourism taxes.

Tennessee

(1) 7% basic rate including vending machine sales.

(2) 5.5% on food and food ingredients.

(3) 7.5% on interstate telecommunications services.

(4) 8.25% on certain cable television and satellite services.

(5) 1% on water sold to or used by manufacturers.

(6) 4.5% on aviation fuel.

(7) 1.5% on energy fuels sold to or used by manufacturers or qualifying data centers.

(8) 3.75% on sales of tangible personal property to common carriers for use outside Tennessee, except food, drink, or fuel.

(9) 1.5% on products and by-products used as energy fuel by nurseries and greenhouses.

(10) 3.5% on manufactured homes.

(11) Counties and incorporated cities may levy a tax on the same privileges subject to the state sales and use tax but at a rate not to exceed 2.75%. Lower caps for certain transactions.

(12) Out-of-state vendors are allowed a 2% discount of the first $2,500 on each monthly report and 1.15% of amounts over $2,500.

STATE SECURITIES COMMISSION FEES

STATUTORY AUTHORITY:

Sections 8-6-1 through 8-6-60 Code of Alabama 1975, as amended.

TAX BASE:

Registration fee required of all dealers and agents of securities, of all investment advisers and investment adviser representatives and for all security issues offered for sale in the state. A fee is also required for certain applications for exemption from registration of security issues and interpretative opinions or no-action letters from the Securities Commission.

TAX RATE:

The initial or annual renewal registration fee is $200 for a dealer or an investment adviser and $50 for an agent or investment adviser representative. The filing fee for an issue is $40 plus a registration fee of .1% of the aggregate offering price of the issue ($1,000 maximum). Open-end management investment companies who qualify for security registration exemption must file a notice of intent to sell with the Commission, accompanied by a filing fee of $300 (net assets of $25 million or less), $600 (net assets of more than $25 million but less than $100 million) or $1,000 (net assets of $100 million or more); the fee must be paid each year any offer or sale of a security is made. Unit investment trusts that qualify for the security registration exemption must file a notice of intent to sell, accompanied by a filing fee of $200. Other entities that apply for an exemption from registration based upon certain specified criteria pay a fee of $250. An application to the Commission for an interpretative opinion or no-action letter must be accompanied by a fee of $150.

COLLECTIONS:

State General Fund deposits (Securities Commission recording and assessment fees):

Fiscal Year	Collections ($)	Percent Change
2007-08	6,306,604	2.62
2006-07	6,145,566	4.47
2005-06	5,882,852	9.12
2004-05	5,391,144	9.96
2003-04	4,902,863	6.57

Source: "Comparative Summary of Revenues by Revenue Source" Report – Comptroller's Office.

Securities Commission Fund deposits (includes fees from the securities exemption permits, registration of investment advisers and investment adviser representatives, filing and recording documents, and investigation charges):

Fiscal Year	Collections ($)	Percent Change
2007-08	6,473,188	1.17
2006-07	6,398,125	4.07
2005-06	6,148,044	4.46
2004-05	5,885,315	(42.63)
2003-04	10,258,925*	94.36

*FY 2003-04 amount includes $4,800,000 from a lawsuit settlement.

Source: "Comparative Summary of Revenue Sources by Fund" Report - Comptroller's Office.

MAJOR EXEMPTIONS:

Any security, including a revenue obligation, issued or guaranteed by the U.S. or any state government (or political subdivision thereof). A listing of exemptions is found in Sections 8-6-10 and 8-6-11 Code of Alabama 1975.

DISTRIBUTION:

The fee for initial or renewal registration of an investment adviser or investment adviser representative, the $250 filing fee for application for an exemption from registration, the filing fees for the exemption of open-end management investment companies and the $150 application fee for an interpretative opinion or no-action letter from the Commission are deposited into the Alabama Securities Commission Fund, for the use of the Commission. All other proceeds are deposited into the State General Fund.

LEGISLATIVE HISTORY:

Acts 1959, No. 542, p. 1318

Established the Office of Securities Commission and required the registration of dealers, salesmen, and securities.

Acts 1969, No. 740, p. 1315

Abolished the Office of the Securities Commission and established the Alabama Securities Commission.

Acts 1979, No. 462, p. 827

Increased the filing fee from $40 to $150 on applications for exemption from registration in certain non-public security offerings.

Acts 1988, 1st Ex. Sess., No. 722, p. 112

Increased the registration fees for dealers from $100 to $200 and agents from $20 to $50.

Acts 1990, No. 527, p. 772

Substantial revision of the Securities Act, including: provision for registration and regulation of investment advisers and investment adviser representatives; elimination of the $10 filing fee formerly required with the quarterly report of issuers who registered securities; Securities Commission retention of filing and registration fees when a security's registration statement is withdrawn before the effective date or a pre-effective order is entered (formerly the Commission retained the filing fee and one-half of the registration fee); modification of the registration fee requirements applicable to investment company distributions, so that they may register an indefinite amount of securities for a $40 filing fee and a $1,000 registration fee at the time of filing and thereafter report the amount of securities sold and remit the same $1,000 registration fee for any additional year during which the registration statement remains in effect; exemption from registration of securities sold by certain open-end management investment companies and unit investment trusts, with a requirement that those companies file a notice of intent to sell securities and pay specified filing fees; requirement that a $150 fee accompany an application for an interpretative opinion or no-action letter from the Commission; eliminated $10 examination fee charged agents and dealers (fee had not been collected by Commission in several years because it does not give examinations).

Acts 1991, No. 320, p. 584

Changed distribution of the filing fees for the exemption of open-end management investment companies from the State General Fund to the Alabama Securities Commission Fund; and increased filing fee for an exemption from full registration from $150 to $250.

COMPARISON WITH NEIGHBORING STATES:

Florida

Annual registration fees are: dealer or investment adviser, $200 annually; branch office fee, $100; and registration fee for agents and investment adviser representatives, $50. Each agent and investment adviser representative shall pay a $42.25 fee for fingerprinting at their initial registration. A nonrefundable application fee of $1,000 is required to register an issue of securities.

Georgia

Initial registration fees are: general and limited dealers and investment advisers, $250, with annual renewal fees, $100; and salesperson, limited salespersons or investment adviser representatives, $50, with annual renewal fees, $40. The filing fee for a security is .0005% of the maximum aggregate offerings price, but not less than $250; after 12 months the registration renewal fee is $100. The notice filing fee for federally covered securities and other types of securities is $250. After 12 to 14 months (depending on the type of security) the registration renewal fee is $100.

Mississippi

Annual and renewal registration fees are: security broker/dealers and investment advisers, $200; and agents and investment adviser representatives, $50. A registration fee of .001% of the dollar amount of securities registered and collected, with a minimum fee of $150 (definite amount of securities) and a maximum fee of $1,000 (indefinite amount of securities). A sales report fee of $100, an opinion letter fee of $100, a name change fee of $150 per filing, and a $300 fee for federal covered securities issued in the state.

Tennessee

Annual renewal registration fees are: broker/dealers and investment advisers, $200 and agents and investment adviser representatives, $50. The registration fee for securities is equal to .001% of the aggregate amount registered, with a minimum fee of $300 and a maximum fee of $1,000. Annual and renewal notice filing fee for federally covered securities is $500.

STORE LICENSES TAX

STATUTORY AUTHORITY:

Sections 40-12-310 through 40-12-319 Code of Alabama 1975, as amended.

TAX BASE:

Annual license fee levied on every person, firm, corporation, association or copartnership (foreign or domestic) for the privilege of opening, establishing, operating, or maintaining stores or mercantile establishments.

TAX RATE:

Number of stores	Fees
1	$1.00 annual fee
2 to 5	$15.00 for each additional store
6 to 10	$22.50 for each additional store
11 to 20	$37.50 for each additional store
21 or more	$112.50 for each additional store

New businesses beginning on or after April 1 may pay one-half the full rate for the first year. In addition to the above fees, each application for a store license must be accompanied by an issuance fee of $.50 for each store, to be retained by the probate judge or license commissioner for the issuance of such license if compensated by a fee system and otherwise deposited into the county general fund.

COLLECTIONS:

By the probate judge or license commissioner at the courthouse in the county where the principal store is located, on or before October 31 or before opening any store.

Fiscal Year	Collections ($)	Percent Change
2007-08	557,199	0.52
2006-07	554,332	4.96
2005-06	528,161	(0.62)
2004-05	531,440	3.12
2003-04	515,348	(0.22)

Source: Department of Revenue's "Revenue Abstract."

DISTRIBUTION:

After the Department of Revenue deducts the cost of collections, net proceeds are deposited into the Education Trust Fund.

LEGISLATIVE HISTORY:

Acts 1935, No. 194, p. 256

Established the Stores License Tax at the present rates.

COMPARISON WITH NEIGHBORING STATES:

Florida, Georgia, Mississippi and Tennessee

No comparable state taxes.

MOBILE TELECOMMUNICATIONS SERVICES TAX

CONSTITUTIONAL PROVISIONS:

Amendment No. 616 to the Constitution of Alabama of 1901 (proposed by Act 97-356, proclaimed ratified January 6, 1999), now appearing as Section 213.37 of the Official Recompilation of the Constitution of Alabama of 1901, as amended

Authorized the Legislature to appropriate funds collected pursuant to any cellular radio telecommunication service tax to pay the principal and interest on bonds issued by the Alabama Revolving Loan Fund Authority (ARLFA).

STATUTORY AUTHORITY:

Sections 40-21-120 through 40-21-126 Code of Alabama 1975, as amended.

TAX BASE:

A gross receipts tax levied on the monthly recurring access charges and all airtime charges from the furnishing of mobile telecommunications services to customers with a place of primary use in Alabama. The home service provider furnishing the mobile telecommunications services may deduct and retain .25% of the tax billed.

TAX RATE:

6%

COLLECTIONS:

By the home service provider of mobile telecommunications services, to be remitted to the Department of Revenue on or before the 20th of each month, for the preceding month's receipts. However, taxpayers with an average monthly tax liability of $10,000 or greater during the preceding calendar year pay, on or before the 20th of the month in which the liability occurs, an estimated amount not less than that paid for the corresponding month of the preceding year.

	Collections ($)				
Fiscal Year	**GF**	**ARLFA**	**ETF**	**Total**	**Percent Change**
2007-08	65,211,099	1,220,372	34,855,671	101,287,142	0.23
2006-07	65,058,519	1,219,933	34,777,910	101,056,362	11.15
2005-06	58,303,578	1,216,630	31,397,977	90,918,185	7.10
2004-05	54,283,735	1,220,873	29,387,744	84,892,352	11.86
2003-04*	48,286,682	1,217,867	26,390,208	75,894,757	8.49

*FY 2002 and FY 2003 ETF receipts were overstated and GF receipts understated by $406,839 and $405,871 respectively because ARLFA payments were made from the GF after distribution to the GF and ETF rather than from gross receipts prior to distribution among the two funds as required by law. Due to adjustment for this error, FY 2004 ETF receipts are understated and GF receipts are overstated by $812,709.
Source: "Comparative Summary of Revenue by Revenue Source" Report – Comptroller's Office.

MAJOR EXEMPTIONS:

(1) Cellular services which the state is prohibited from taxing under the U.S. Constitution, Alabama Constitution, or U.S. law.
(2) Cellular services which are otherwise taxed under Alabama's sales tax provisions.
(3) Wholesale sales.
(4) Cellular services provided through the use of a prepaid telephone calling card, a prepaid authorization number, or both.

DISTRIBUTION:

Proceeds are deposited into the state treasury with so much as necessary to be used by the state treasurer to pay the principal and interest on any outstanding bonds issued by the Alabama Revolving Loan Fund Authority (ARLFA). The remaining proceeds are deposited one-third, plus $1.5 million, into the Education Trust Fund, with the remainder deposited into the State General Fund. The additional $1.5 million deposited to the Education Trust Fund is deposited 1/12 ($125,000) each month by a transfer of that amount from State General Fund deposits from this tax.

LEGISLATIVE HISTORY:

Acts 1990, No. 97, p. 104

Exempted cellular radio telecommunications companies from the Utility Gross Receipts Tax, the Telephone Privilege Tax, the Public Utilities Tax, and from payment of ad valorem taxes at the Class I assessment rate (30%); levied a tax on cellular customers, based on gross receipts derived by providers from recurring access and local airtime charges for cellular radio telecommunications services, at the rate of 4% or, if less, the rate imposed by Section 40-21-82 (Utility Gross Receipts Tax). The effect was a tax at the rate of 4% on first $40,000, 3% on next $20,000 and 2% on any additional (over $60,000) monthly charges. Provided that receipts be deposited "into the state treasury" (i.e. State General Fund).

Acts 1992, No. 623, p. 1466

Provided for a separate (from electricity, water and gas utilities) telephone gross receipts tax at an increased rate and amended Section 40-21-121 to provide that the cellular telephone tax rate is tied to the telephone gross receipts tax rate (if that rate is lower than 4%) rather than to the gross receipts tax rate of other utilities. The effect of this provision was to maintain at 4% the tax rate on the first $40,000 of monthly charges, increase from 3% to 4% the tax rate on the next $20,000 of monthly charges, and increase from 2% to 3.7% the tax rate on any additional (over $60,000) monthly charges.

Acts 1997, 1st Ex. Sess., No. 867, p. 208

Made the sale of prepaid telephone calling cards subject to the sales and use tax and exempted the usage of those cards from the utility gross receipts tax and the cellular telecommunications services tax.

Acts 1998, No. 195, p. 338

Provided for the incorporation of the Alabama Revolving Loan Fund Authority to issue up to $12 million in bonds for the purpose of making grants to the 12 regional planning commissions. This act pledged for the repayment of the bonds as much as necessary of the cellular radio telecommunication services tax, subject to ratification of the constitutional amendment proposed in Act 97-356. The proposed amendment was ratified and became Amendment No. 616 to the Constitution of Alabama.

Acts 1999, No. 399, p. 663

Provided that broadband personal communications services would be taxed under the cellular telecommunications tax, rather than the utility gross receipts tax, and included commercial mobile radio services in the definition of cellular services to which the cellular telecommunications tax applies; and provided that any cellular telecommunication services provider who accepts in good faith from a purchaser a cellular telecommunication services tax exemption form provided or approved for use by the Department of Revenue would not subsequently be liable to the Department of Revenue or others for the tax on sales to that purchaser.

Acts 2001, 4th Ex. Sess., No. 1090, p. 1120

Brought Alabama's Cellular Telecommunications (Mobile Telecommunications) Tax provisions into alignment with the federal Mobile Telecommunications Sourcing Act. The provisions of the act which relate to alignment with that federal act were effective for customer bills issued on or after August 2, 2002 (pursuant to federal law). Amended the definition of "monthly charges" upon which the tax is based to expand the tax base to include all airtime charges, including toll and roaming charges (formerly local airtime charges only), effective for all customer bills dated on or after February 1, 2002, regardless of when the services being billed were provided. Increased the tax rate from 4% on monthly charges less than $60,000 and $4,020 plus 3.7% of excess over $60,000 on monthly charges over $60,000 to 6% beginning with bills dated February 1, 2002.

Authorized home service providers furnishing mobile telecommunications services to deduct and retain .9% from the tax billed on or after February 1, 2002 and until October 1, 2002, at which time the amount retained and deducted decreased to .25% of the tax billed. Changed the distribution of the remaining tax receipts, after payment of principal and interest on Alabama Revolving Loan Fund Authority bonds, from the State General Fund to current distribution. Levied a tax on mobile radio communication services at the same rate as the Mobile Telecommunications Tax, effective February 1, 2002.

COMPARISON WITH NEIGHBORING STATES:

Florida

6.8% special state communications services tax rate (basic state sales tax rate is 6%) is applied to cellular services, cable television services, direct television (satellite), faxes and commercial landline telecommunications services. There is, in addition, a 2.37% state utility gross receipts tax on the total amount of gross receipts derived from business done within the state, for a total rate of 9.17%. There is also a local surtax for which the rate is revenue dependent, thus it varies. All taxes are paid by the customer. Residential landline customers pay only the 2.37% state utility gross receipts tax plus the local surtax.

Georgia

State sales tax rate of 4% plus additional county surtax of up to 4% is applied to cellular telephone (1) monthly access fees and set monthly fees; or (2) vertical services (call-waiting, call-forwarding, etc.) charges. The tax is not applied to separately stated airtime charges or voicemail services.

Mississippi

State sales tax of 7% is applied to intrastate telecommunications gross receipts, including mobile and cellular telephone.

Tennessee

State telecommunications sales and use tax is applied to cellular telephone services. Residential interstate and international calls are taxed at the state rate of 7% plus 1.5% local surtax. Business interstate and international calls are taxed at the state rate of 7.5% (no local surtax). Intrastate (long distance and local service) calls are taxed for both business and residential at the state rate of 7% plus a local surtax of 2.5%. Ancillary service is taxed at the state rate of 7% plus 2.5% local surtax. Private line service and interstate telecommunications sold to qualified call centers are exempt.

TENNESSEE VALLEY AUTHORITY IN-LIEU-OF-TAXES PAYMENTS

STATUTORY AUTHORITY:

16 USC, Section 831 and Sections 40-28-1 through 40-28-4, 41-9-783 and 41-10-570 Code of Alabama 1975, as amended.

TAX BASE:

The Tennessee Valley Authority (TVA) is a federal agency which makes in-lieu-of-taxes payments to the states in which its power properties and operations are located.

TAX RATE:

The TVA pays 5% of its gross revenues from the sale of power in the preceding fiscal year to the states in which TVA carries on power operations and in which TVA has acquired properties previously subject to state and local taxation. Revenue from power sold to federal agencies is excluded from taxation. The formula used to determine each state's share is: One-half of the annual payment is divided proportionately among the states according to the value of the TVA's power property within each state, and the remaining half is divided proportionately on the basis of the TVA's power revenues from each state to the TVA's total power revenues.

COLLECTIONS:

The Department of Revenue annually receives equal monthly installment payments from the TVA and a year-end adjustment payment added to the last installment.

Fiscal Year	Collections	Percent Change
2007-08	113,605,999	5.38
2006-07	107,809,640	15.97
2005-06	92,959,814	4.21
2004-05	89,201,165	10.34
2003-04	80,843,783	5.18

Source: Department of Revenue's "Revenue Abstract."

DISTRIBUTION:

The total TVA payment is shared by the State of Alabama and certain counties in the state. The amount of the TVA payment retained by the State of Alabama is credited to the Tennessee Valley Exhibit Commission Trust Fund and/or to the State General Fund and/or to the Incentives Financing Authority Debt Service Fund. (See LEGISLATIVE HISTORY, Acts 1987, No. 586; Acts 1990, No. 531; and Acts 1995, No. 372 and No. 373.) Effective for fiscal year 2006 and thereafter, the payment is distributed as follows: to the counties and municipalities served by TVA, 78%; to the dry counties and municipalities not served by TVA, 5%; to the Incentives Financing Authority the amount necessary to pay the debt service on its bonds; and the remainder to the State General Fund (see LEGISLATIVE HISTORY, Acts 2006, No. 655). Distributions for fiscal years 2007 and 2008 were as follows:

	FY 2007 ($)	FY 2008 ($)
Dry counties not served by TVA:		
Bibb	324,957	326,006
Blount	369,629	370,822
Chilton	372,795	373,999
Clarke	401,514	402,810
Clay	309,272	310,270
Coffee	485,440	487,007
Fayette	329,653	330,717
Geneva	386,496	387,744
Lamar	326,789	327,844
Marion	389,875	391,134
Monroe	353,524	354,665
Pickens	358,170	359,326
Randolph	342,928	344,035
Walker	545,909	547,672
Washington	306,717	307,707
Totals	**5,603,668**	**5,621,758**
Counties served by TVA:		
Calhoun	132,691	133,110
Cherokee	1,076,832	1,080,281
Colbert	6,566,110	6,600,467
Cullman	4,777,501	4,792,211
DeKalb	3,206,220	3,216,761
Etowah	188,288	188,896
Franklin	2,129,196	2,136,436
Jackson	10,405,659	10,119,520
Jefferson	2,404,586	2,412,198
Lauderdale	5,637,547	5,655,813
Lawrence	2,307,002	2,425,713
Limestone	7,052,089	7,461,868
Madison	19,461,045	19,524,070
Marshall	6,477,627	6,500,078
Morgan	15,365,914	15,222,309
Winston	228,937	229,667
Totals	**87,417,244**	**87,699,398**

	FY 2007 ($)	FY 2008 ($)
TVA Exhibit Commission Debt	148,493	144,853
Incentives Financing Authority Debt	18,903,983	18,969,119
Total Distributed	112,073,388	112,435,128

LEGISLATIVE HISTORY:

Public Law 48, Statute 68, Section 13

Initial federal legislation which established the Tennessee Valley Authority in 1933, and authorized payments to the states served by TVA.

Acts 1978, 2nd Ex. Sess., No. 92, p. 1786

Provided for the sharing of the TVA payments between the State of Alabama and certain counties, including dry non-TVA counties; and amended Section 28-3-74 Code of Alabama 1975, to eliminate the distribution of alcoholic beverage revenues to dry counties. (See DISTRIBUTION.)

Acts 1979, No. 306, p. 458

Amended Acts 1978, 2nd Ex. Sess., No. 92, to tie distribution of 5% of total state TVA money going to each dry non-TVA county and to municipalities within those counties to their respective shares of total ABC distribution to dry non-TVA counties and municipalities within those counties in FY 1979, rather than to a proportionate share of ABC total distribution to all dry counties that same fiscal year; also provided that dry counties would not receive less revenue from TVA receipts than they would have received from ABC distributions in the previous fiscal year.

Acts 1979, No. 786, p. 1425

Added definitions of terms and clarified the manner and procedures for distributing portions of the TVA payments and the procedures by which portions of the payments received by dry counties not served by the TVA would be shared with the cities within such counties.

Acts 1987, No. 586, p. 957

Provided that all of the TVA in-lieu-of-taxes revenue retained by the State of Alabama (following the distribution of the counties' portion of TVA payments) be deposited to the credit of the Tennessee Valley Exhibit Commission Trust Fund, until the balance in the Fund equals the amount of debt service on any bonds issued by the Tennessee Valley Exhibit Commission for the next succeeding fiscal year. All other TVA in-lieu-of-taxes revenue retained by the state would be credited to the State General Fund.

Acts 1990, No. 531, p. 823

Amended Sections 41-9-782 and 41-9-783 of the Code relating to the Tennessee Valley Exhibit Commission to authorize the Commission to issue and sell revenue bonds in a principal amount not to exceed $1.5 million in order to pay certain costs of completing an information and exhibit center; and appropriated and pledged such amounts as may be necessary to pay principal and interest on the bond issue from monies retained by the state from in-lieu-of-tax payments made by the Tennessee Valley Authority. Required the Commission to, at the end of each fiscal year, transfer any surplus funds in its account to the Tennessee Valley Exhibit Commission Trust Fund for reimbursement of monies previously withdrawn (with interest). After repayment to the trust fund, any surplus monies remaining are to be transferred to the State General Fund.

Acts 1995, No. 372, p. 746 and No. 373, p. 747

Pledged and appropriated the portion of the TVA payments remaining after distribution of the county shares and the payment of the debt service on bonds issued by the Tennessee Valley Exhibit Commission to pay the debt service on bonds issued by the Incentives Financing Authority. Act 95-373 created the Alabama Incentives Financing Authority and authorized it to issue bonds to finance industrial projects in the state.

Acts 2006, No. 655, p. 1792

Increased the annual amount of TVA payments distributed to served counties from 75% to 78% beginning in FY 2006. Required additional amounts received by the counties from the 3% to be allocated by local legislation. The additional 3% comes from amounts previously retained by the state.

Acts 2007, No. 417, p. 869

Provided that any county in which a community development district is located would participate in the distribution of the state beer tax. A dry county that receives alcoholic beverage taxes or fees because of this act would have its share of TVA payments reduced by the amount equal to the alcoholic beverage taxes or fees received by such county.

COMPARISON WITH NEIGHBORING STATES:

Florida

No payment is received from TVA.

Georgia

The total payment received from TVA is redistributed to counties, county school districts and municipalities according to the relative book value of TVA property therein.

Mississippi

The first 12.5% is retained by Tishomingo County, the next 10% is retained by the state, and the remainder is distributed to the TVA served counties and municipalities, based on a ratio of power sales (of this amount, 25% is distributed to school districts within TVA served counties, based on a teacher to pupil ratio).

Tennessee

The state retains $55.2 million; $4.1 million is distributed to the counties and municipalities; and any payments received in excess of this amount are split 48.5% to the state and 51.5% to the counties and cities.

TOBACCO TAX

(Excluding Cigarettes)

STATUTORY AUTHORITY:

Sections 40-25-1 through 40-25-47 Code of Alabama 1975, as amended.

TAX BASE:

Tax on sale, storage or distribution of tobacco or tobacco products by wholesalers and retailers and use by consumers, based on retail price or weight. The tax is paid at the wholesale level by affixing stamps and adding to the price of the tobacco product or, if the Commissioner of Revenue determines that it is not economical to have stamps prepared, with the use of a monthly report. Department of Revenue-Tobacco Tax Section Rule 810-7-1-.08 currently provides that the tax is paid through a monthly report. The tax, in fact, is a levy on the ultimate consumer or user. (See also CIGARETTE TAX.)

TAX RATE (See LEGISLATIVE HISTORY, Acts 2004, No.545)**:**

(1) Little cigars, not weighing more than 3 lbs. per 1,000	$.04 per 10
(2) Cheroots, stogies, cigars retailing for $.0333 each or less	$3 per 1,000
(3) Cigars, more than $.0333 but not exceeding $.05 each	$6 per 1,000
(4) Cigars, more than $.05 but not exceeding $.08 each	$9 per 1,000
(5) Cigars, more than $.08 but not exceeding $.10 each	$15 per 1,000
(6) Cigars, more than $.10 but not exceeding $.20 each	$30 per 1,000
(7) Cigars, more than $.20 each	$40.50 per 1,000
(8) Smoking tobacco, weighing:	
1-1/8 oz. or less	$.04/package
Over 1-1/8 but not exceeding 2 oz.	$.10/package
Over 2 but not exceeding 3 oz.	$.16/package
over 3 but not exceeding 4 oz.	$.21/package
over 4 oz. (each additional ounce over 4 oz. or fractional part thereof	$.06
(9) Chewing tobacco	$.015 per oz.

(10) Snuff, 5/8 oz. or less	$.01/package
over 5/8 but not exceeding 1-5/8 oz.	$.02/package
over 1-5/8 but not exceeding 2-1/2 oz.	$.04/package
over 2-1/2 but not exceeding 5 oz. (cans, packages, gullets)	$.06/package
over 3 but not exceeding 5 oz. (glasses, tumblers, bottles)	$.07/package
over 5 but not exceeding 6 oz.	$.08/package
over 6 oz (each additional ounce over 6 ounces or fractional part thereof.	$.12

Information on local rates follows LEGISLATIVE HISTORY.

COLLECTIONS:

By the Department of Revenue monthly. Privilege tax collected the 20th of each month; use tax collected the 10th of each month. Wholesalers and jobbers are allowed a 7.5% discount if the tax is collected by affixing stamps.

Fiscal Year	Collections ($)	Percent Change
2007-08	5,473,528	(3.32)
2006-07	5,661,734	0.58
2005-06	5,629,222	0.35
2004-05	5,609,430	43.67
2003-04	3,904,466*	22.95

*Collections from current rates began in June 2004.

Source: Department of Revenue's Tobacco Tax Section. Collection amount represents net tobacco collections after refunds.

MAJOR EXEMPTIONS:

A qualified wholesaler or jobber in Alabama may sell tobacco products to a person who is outside of the state without affixing Alabama revenue stamps, provided the criteria defined in Section 40-25-15 Code of Alabama 1975, is met.

DISTRIBUTION:

After deduction of the cost of collection, the remaining proceeds are deposited into the State General Fund.

LEGISLATIVE HISTORY:

Acts 1935, No. 194, p. 256

Established the tobacco stamp sales tax; outlined ten categories of tobacco products other than cigarettes; and set rates for little cigars according to weight, while the rates on the remaining tobacco product categories were based on retail price. See act for tobacco tax rate schedule.

Acts 1939, No. 409, p. 538

Established the tobacco use tax; set rates and definitions same as tobacco stamp sales tax.

Acts 1945, No. 326, p. 528

Changed the rate schedule for most tobacco product categories to a schedule based on retail price. See act for tobacco tax rate schedule.

Acts 1947, No. 288, p. 143

Changed the rate schedule for several tobacco product categories and effectively increased the tobacco tax rate on smoking tobacco by the adoption of rates based on weight per package, rather than on retail price. See act for tobacco tax rate schedule.

Acts 1959, 2nd Ex. Sess., No. 101, p. 318

Reduced the tobacco tax rates on most categories of cigars and smoking tobacco. See act for tobacco tax rate schedule.

Acts 1959, No. 637, p. 1550

Increased tobacco tax rates on several categories of tobacco products. See act for tobacco rate schedule.

Acts 1999, 2nd Ex. Sess., No. 650, p. 96

Effective January 1, 2001, changed distribution of remaining proceeds, after deduction of the cost of collection, from the Education Trust Fund to the State General Fund.

Acts 2004, No. 545, p. 1157

Increased the state cigarette and other tobacco product taxes to current rates; provided for the distribution of proceeds; and provided that no additional local taxes may be levied after the date of passage.

NOTE REGARDING LOCAL LEVIES:

Pursuant to Acts 2004, No. 545, the state tax is in lieu of any other or additional local taxes and/or license fees other than those imposed by an act of the Legislature or an ordinance or resolution by a taxing authority passed or enacted prior to May 2004. The Department of Revenue administered the tax for 15 counties as of September 30, 2007. Municipalities which levy a tax on tobacco products administer that tax themselves or through a collection agency.

COMPARISON WITH NEIGHBORING STATES:

Florida

There is not a tax on cigars, however, there is a tobacco products tax for distributors, at 25% of the wholesale sales price, and for consumers, at 25% of the cost of the tobacco products if the distributor's tax has not been paid on those tobacco products. Distributors are allowed a collection discount of 1% of the amount of tax due.

Georgia

Cigars weighing not more than 3 lbs. per 1,000 are taxed at 2.5 mills each. All other cigars are taxed at 23% of wholesale cost price. The rate for loose or smokeless tobacco is 10% of the wholesale price. Licensed distributors may be allowed discounts ranging from not less than 2% nor more than 8% of the face value thereof, depending on the volume of cigars handled.

Mississippi

On cigars, cheroots, stogies, snuff, chewing and smoking tobacco and all other tobacco products, except cigarettes, the tax rate is 15% of the manufacturer's list price. A 4% discount is allowed to wholesalers on cigarette stamp purchases of $100 or more, and to retailers on purchases of $50 or more.

Tennessee

Manufactured tobacco, snuff, and all other tobacco products including cigars, cheroots, and stogies are taxed at 6.6% of the wholesale cost price. Dealers or distributors of tobacco products, other than cigarettes, are allowed 2% of the tax as compensation for remitting the tax, risk of loss, and miscellaneous expenses. Wholesale dealers, manufacturing distributors, and jobbers are allowed a 4.15% discount for affixing stamps.

UNEMPLOYMENT COMPENSATION TAX

STATUTORY AUTHORITY:

Sections 25-4-40.1, 25-4-52, 25-4-54, and 25-4-72 Code of Alabama 1975, as amended.

TAX BASE:

The first $8,000 paid to an individual employee during a calendar year.

TAX RATE:

The contribution rates (expressed as a percentage of taxable wages) are determined under an experience rating plan, such rates ranging from .20% to 6.8% prior to reductions in effect until 2010 (see Acts 2008, No. 501) depending upon (1) balance of the Unemployment Compensation Trust Fund at the end of any fiscal year and (2) the desired level of the Fund. An employer must pay unemployment compensation tax at the rate of 2.70% until such time as it becomes eligible for experience rating (tax rate year beginning January 1 following the first fiscal year ending September 30 throughout which its account has been chargeable for benefits based on its wages). The length of time required for experience rating varies from seven to ten calendar quarters, depending upon the quarter in which wages were first paid. A special assessment of 0.06% of taxable wages is in effect until September 30, 2010 and deposited into the Employment Security Administration Enhancement Fund.

COLLECTIONS:

By the Department of Industrial Relations quarterly.

Fiscal Year	Collections ($)	Percent Change
2007-08	218,253,015	(0.32)
2006-07	218,943,521	(14.15)
2005-06	255,033,324	0.25
2004-05	254,399,074	10.16
2003-04	230,927,743	26.23

*Includes special assessments for Employment Security Administration Enhancement Fund.

Source: "Revenue Summary Table" – Comptroller's Office.

MAJOR EXEMPTIONS:

See Section 25-4-10(b) of the Code.

DISTRIBUTION:

All receipts are deposited into the Unemployment Compensation Trust Fund. The 0.06% special assessment is then transferred to the Employment Security Administration Enhancement Fund.

LEGISLATIVE HISTORY:

Acts 1935, No. 447, p. 950

Established system of unemployment compensation. Set employer rate at 2.7% of wages beginning during the calendar year 1938. (Employee rate was set at 1% of wages.) Maximum weekly benefit of $15.

Acts 1939, No. 497, p. 721

After December 31, 1939, the employee rate of 1% was limited to the first $3,000 in wages earned. Established a committee to explore an experience rating system for employer contributions.

Acts 1943, No. 310, p. 281

Limited the amount of wages which could be taxed to the first $3,000 earned each calendar year; and established experience rating system whereby employer rates ranged from .5% to 2.7%. Employee rates ranged from .1% to 1.0%.

Acts 1957, No. 299, p. 382

Employee contribution rate limited to .1% at all levels of earnings.

Acts 1961, No. 274, p. 2298

Employer contribution rate increased to a maximum of 3.6% of wages. Employee contribution increased to .25% at all levels of earnings (.5% if no experience rating). Maximum weekly benefit increased to $32.

Acts 1969, No. 234, p. 559

Weekly benefit amount set at 1/26th of the total wages for insured work paid to an employee during that quarter of his or her base period in which such total wages were the highest. Maximum weekly benefit increased to $50. Contribution rate for employee eliminated unless fund is less than certain minimum amount (in which case, employee rate is .5%).

Acts 1971, No. 166, p. 440

Wage base upon which contribution rates levied increased from $3,000 to $4,000. Employer rate for those upon which no experience rating had been developed lowered from 2.7% to 1.5%.

Acts 1975, No. 801, p. 1604

Wage base upon which contribution rates are levied increased from $4,000 to $4,800. Maximum employer rate increased to 4%. Employer rate for those upon which no experience rating has been developed increased to 2.7%.

Acts 1978, No. 1, p. 5

Wage base upon which contribution rates are levied increased from $4,800 to $6,600. Extended coverage to state employees and political subdivisions.

Acts 1983, No. 155, p. 264

Increased taxable wage base from $6,600 to $8,000. Maximum employer rate increased to 5.0% for 1984 and 5.4% for 1985 and thereafter. Provided for emergency surcharge of 25% on employers' computed tax rate, with a cap of .7% on any increase pursuant to the surcharge, until January 1 following the end of any fiscal year where the balance of the unemployment trust fund is equal to or in excess of 75% of the minimum normal amount. Employee rate increased from .5% to 1% when minimum amounts are not in fund. Maximum weekly benefit increased to $120 and the minimum weekly benefit amount increased to $22.

Acts 1985, No. 804, p. 50

Provided further for suspension and reinstatement of the emergency employer surcharge; and provided for the termination of the employee contribution.

Acts 1988, No. 783, p. 195

Provided for a special assessment of .06% against wages paid by certain employers to be deposited in the "Employment Security Administration Enhancement Fund" for calendar years 1989 through 1991; and provided for a corresponding rate reduction of .06% for certain employers for rates paid for calendar years 1989 through 1991.

Acts 1989, No. 405, p. 822

Changed experience rating system to the "benefit ratio" (based upon ratio of actual benefits to total payroll); and provided for 4 rate schedules, one of which is to be used dependent upon the condition of the fund and the desired level of the fund. Maximum rate increased to 6.8% (Schedule D). Minimum rate reduced to .2% (Schedule A). Maximum weekly benefit increased to $150.

Acts 1992, No. 174, p. 285

Extended until March of 1997 the special assessment of .06% of wages to be deposited in the Employment Security Administration Enhancement Fund; and extended the corresponding rate reduction for certain employers.

Acts 1995, No. 764, p. 1792

Extended until March 31, 2002 the special assessment of .06% of wages to be deposited in the Employment Security Administration Enhancement Fund; and also extended the corresponding employer tax rate reduction for certain employers until March 31, 2002.

Acts 2000, No. 456, p. 842

Extended until March 31, 2004 the special assessment of .06% of wages to be deposited in the Employment Security Administration Enhancement Fund; and also extended the employer tax rate reduction for certain employers until March 31, 2004.

Acts 2001, No. 694, p. 1453

Exempted income received for National Guard and Armed Forces Reservists drill duty from being offset against unemployment compensation benefits; eliminated the deduction of dismissal or severance pay; and repealed the employer penalty tax provision.

Acts 2004, No. 110, p. 164

Extended until March 31, 2006 the special assessment of .06% of wages to be deposited in the Employment Security Administration Enhancement Fund; and also extended the employer tax rate reduction for certain employers until March 31, 2006.

Acts 2006, No. 519, p. 1194

Extended until March 31, 2008, the special assessment of .06% of wages to be deposited in the Employment Security Administration Enhancement Fund; and also extended the employer tax rate reduction for certain employers until March 31, 2008.

Acts 2006, No. 521, p. 1208

Reduced the fraction used to calculate the maximum weekly benefit amount (that had been increased to 1/24th of the average wages from 1/26th of the total wages paid to an employee during the two quarters of his or her base period in which such total wages were the higher).

Acts 2008, No. 501, p. 1091

Extended until September 30, 2010, the special assessment of .06% of wages to be deposited in the Employment Security Administration Enhancement Fund and also extended the employer tax rate reduction for certain employers until September 30, 2010; provided for a one-week period after the 13th week and prior to the beginning of the 14th week in which no benefits will be payable.

COMPARISON WITH NEIGHBORING STATES:

Florida

Taxable wage limit - $7,000.

Maximum rate 5.4% - Minimum rate .10%.

Rates for new employer with no experience rating - 2.7%.

Georgia

Taxable wage limit - $8,500.

Maximum rate 5.4% - Minimum rate .03%.

Rates for new employer with no experience rating - 2.7%.

Mississippi

Taxable wage limit - $7,000.

Maximum rate 5.4% - Minimum rate .4%.

Rates for new employers with no experience rating - 2.7%.

Tennessee

Taxable wage limit - $7,000.

Maximum rate 10% - Minimum rate .30%.

Rates for new employers with no experience rating - 2.7%.

UNIFORM COMMERCIAL CODE AND FARM PRODUCTS LIENS FILING FEES

STATUTORY AUTHORITY:

Sections 7-9A-320, 7-9A-523 and 7-9A-525 Code of Alabama 1975, as amended.

TAX BASE:

In order to perfect a security interest in collateral, a secured party must file either with the Secretary of State, the probate judge (in the case of certain farming or timber interests or consumer goods) or the office where mortgage on the real estate would be filed (in the case of collateral goods which are or are to become fixtures), a statement giving specific information concerning the secured party, the debtor and the items subject to the security interest.

TAX RATE:

Initial Financing Statement	$20 if the record consists of one or two pages; $2 for each page thereafter; $15 if the record is communicated by another medium authorized by filing office rule; $10 if filed in connection with a manufactured home transaction; additional $5 if filed in a nonstandard form.
Amendment Fee	Same as Financing Statement.
Record of Mortgage	No fee with regard to a mortgage which is effective as a financing statement filed as a fixture filing or covering as extracted collateral or timber to be cut if: the record is recorded, indicates the goods or accounts it covers and satisfies the requirements for a financing statement; and if the goods become fixtures related to the real property described in the record.
Termination Statement	No charge. $5 if statement is not in prescribed form.
Information Request/ Confirmation of Oral Search	$20; $15 if the request is communicated by another medium authorized by filing office rule; additional $5 if request is in nonstandard form; $2 for each financing statement or statement of assignment reported.
Copies of Statements	$1 per page for financing or assignment statement, plus $2 for each request not made on standard form; $50 for micro–imaged portions of UCC files.
Information Requests Expedited Service (Optional)	$100 in addition to required fees.
Copies of the master list organized by farm products	Up to $.25 per page for a printed copy, not to exceed $2,000 per year to any buyer, commission merchant, or selling agent; up to $100 to receive the list in electronic form.

COLLECTIONS:

By the Secretary of State at the time of filing; deposits are made to the state treasurer approximately once a week.

Fiscal Year	SGF Collections	UCC Collections	Total Collections	% Change
2007-08	1,531,247	664,191	2,195,438	9.34
2006-07	1,635,722	372,249	2,007,971	(9.60)
2005-06	1,798,883	422,385	2,221,268	13.04
2004-05	1,603,101	361,958	1,965,059	(4.38)
2003-04	1,664,634	390,469	2,055,103	1.29

Source: "Comparative Summary of Revenues by Revenue Source" Report - Comptroller's Office.

DISTRIBUTION:

81% of collections from Uniform Commercial Code fees which are not related to farm products are deposited to the credit of the State General Fund and 19% are deposited to the credit of the Uniform Commercial Code Fund. However, if the first mailing address of the debtor or debtors on an initial filing statement is located in a county in Alabama, $5 of the financing statement filing fee is rebated to the probate judge of the county where the address is located. This rebate is effective from January 1, 2002 until December 31, 2011. (See LEGISLATIVE HISTORY, Acts 2001, No. 481.) Fees related to farm products are deposited into the Alabama Farmers Credit Protection Fund.

LEGISLATIVE HISTORY:

Acts 1965, No. 549, p. 811

Established filing requirements and the following fees: financing and continuation statements, $2 each; termination, assignment and release statements, $1 each; information request, $1 plus $.50 for each financing statement and statement of assignment reported therein; copies of statements, $.50 per page.

Acts 1973, No. 865, p. 1365

Increased fees as follows: original financing, continuation, termination, separate assignment and release statements and amendments, to $4; information request, to $3 plus $.50 for each financing and assignment statement reported therein; copies of statements, to $1 per page.

Acts 1981, No. 312, p. 399

Increased fees as follows: original financing, continuation, termination, separate assignment and release statements and amendments, to $4 for first page, $.50 for each page thereafter, and added penalty of $2 if not in prescribed form; added fee of $1 each for indexing of names or trade names in addition to one required.

Acts 1984, No. 307, p. 680

Exempted mobile homes from being subject to the requirement of filing a continuation statement five years after filing a financing statement on a perfected security interest.

Acts 1984, No. 446, p. 1040

Increased fees as follows: original financing, continuation, termination, separate assignment and release statements, to $5 for the first page, $1 for each page thereafter; continued $2 penalty if statements not in prescribed form; information requests, to $4 plus $1 for each financing and assignment statement reported therein; copies of statements, to $1 per page plus $2 if request not made on standard form.

Acts 1986, No. 507, p. 989

The intent of this act was to bring Alabama in compliance with Section 1324 of the Federal Food Security Act of 1985 by providing for filing of liens relating to farm products, and fees related thereto, with the Secretary of State; provided for information request charge of $4 plus $1 for each financing and statement of assignment reported and charge of $1 per page plus $2 if request not made on standard form for copies of statements; and directed the Alabama Secretary of State to implement a central filing system pertaining to said liens.

Acts 1987, No. 410, p. 595

Provided for original financing and continuation statement and amendment filing fees for farm products liens and increased UCC filing and information fees; created Uniform Commercial Code and Farm Products Central Index System Fund into which a designated percentage of collections of UCC and farm products liens filings fees are to be deposited (said percentage decreased each year from a high of 43% in FY 1988 to 19% in FY 1992 and each fiscal year thereafter), with the remainder to be deposited to the State General Fund; discontinued filing fees for certain termination statements; authorized Secretary of State to distribute micro-imaged portions of the UCC files for $50 and printed copies of entire master lists (and any supplements to it) of farm products liens for an annual charge of $25, or $15 annually for a portion of the master list on microfiche; and provided for fees for confirmation of oral searches.

Acts 1990, No. 480, p. 706

Clarified that the fee for obtaining printed copies of the master list of farm products liens, or any portion of that list, shall be up to $25 annually per collateral code requested, that the fee for a portion of the master list on microfiche is $15 annually per collateral code requested and that oral confirmation of financing statements and the subsequent written confirmation (and fee therefore) apply to UCC as well as farm products financing statements.

Acts 2000, No. 724, p. 1550

Provided for a charge of $100, in addition to required fees, for optional requests of immediate expedition by the Secretary of State.

Acts 2001, No. 481, p. 647

Replaced Article 9 of the UCC, regarding secured transactions with revised provisions to allow Alabama to participate in a nationwide, centralized (at the state level), electronic secured transaction filing and information system; and revised fee schedule to current rates. The effective date of this act was January 1, 2002, except the revised fee provisions, which became effective July 1, 2001. The act retained the prior distribution of fees for filings, but provided funding of the Secretary of State's implementation costs by allocating the amount deposited into the State General Fund from July 1, 2001 through December 31, 2001 to the Office of the Secretary of State.

Acts 2002, No. 518, p. 1337

Provided a federal Food Security Act – compliant central filing system to permit lenders with security interests in farm products to protect their interests. The act established current filing and indexing fees and authorized the Secretary of State to establish certain other fees to be deposited into the Alabama Farmers Credit Protection Fund created by the act and expended for the administrative costs associated with the act.

USE TAX

STATUTORY AUTHORITY:

Sections 40-23-60 through 40-23-88, 40-23-100 through 40-23-111, and 40-23-150 through 40-23-190 Code of Alabama 1975, as amended.

TAX BASE:

Excise tax on storage, use, or other consumption in this state of: tangible personal property; machines used in mining, quarrying, compounding, processing, and manufacturing of tangible personal property; automotive vehicles, motorboats, truck trailers, semitrailers, or house trailers and mobile home set-up materials and supplies; farm machinery or equipment; and the above property when used in the performance of a contract. This tax is paid on items purchased outside Alabama for consumption or use inside the state, unless the property is imported from a state having a reciprocal agreement with Alabama, and a tax equal to or greater than the Alabama tax was paid in the other state. If the amount of the tax paid to the other state is less than the Alabama tax, then the difference must be paid to Alabama.

TAX RATE:

4% of sales price of tangible personal property, 1.5% of selling price of machinery used in mining, quarrying, processing and manufacturing, 2% of the sales price of automotive vehicles, truck trailers, semitrailers, or house trailers (or on the net difference of such sales when a trade-in is involved) and mobile home set-up materials and supplies, and 1.5% of net trade difference of farm machinery and equipment. The respective tax rates also apply to the above classes of property when the property is used in the performance of a contract. (Information on local rates follows LEGISLATIVE HISTORY under SALES TAX.)

COLLECTIONS:

By the Department of Revenue on the 20th of each month for previous month's sales. Penalty charges, plus interest, may also be imposed on vendors who file deficient or delinquent returns.

Fiscal Year	Gross Collections ($)	Percent Change
2007-08	275,377,545	0.74
2006-07	273,347,656	5.39
2005-06	259,377,594	11.81
2004-05	231,976,277	11.12
2003-04	208,759,788	11.08

Source: Department of Revenue's "Revenue Abstract."

MAJOR EXEMPTIONS:

A listing of exemptions is found in Sections 40-9-9 through 40-9-34, 40-23-61, 40-23-62, 11-92A-18 (county industrial development authorities), 11-54-96 (industrial development boards) and 11-58-14 (medical clinic boards) Code of Alabama 1975, as amended.

DISTRIBUTION:

After deducting the cost of collection, 42% of the 2% tax on automotive vehicles, truck trailers, semitrailers or house trailers and mobile home set-up materials and supplies is distributed to the State General Fund and all remaining proceeds are distributed to the Education Trust Fund. Per Act 01-669, beginning in FY 2003, any additional revenue generated as a result of the Governor setting a cap on the use tax discount allowed to vendors (Executive Order 54, dated May 25, 2001) is annually distributed to the Department of Human Resources for the foster children program in an amount not to exceed $500,000 annually; any remaining balances shall be distributed to the Department of Conservation and Natural Resources for the Coastal Program (in an amount not to exceed $1,000,000 annually) and to provide federally required funding; the remainder to the State General Fund.

LEGISLATIVE HISTORY:

Acts 1939, No. 67, p. 96

Established a use tax rate of 2% on tangible personal property and .5% on automobile vehicles. Revenues were earmarked for teachers' salaries.

Acts 1939, No. 376, p. 502

Changed distribution of revenues by removing the restriction for the payment of teachers' salaries.

Acts 1951, No. 209, p. 472

Changed rate to 3% on tangible personal property and 1% on automotive vehicles.

Acts 1959, 2nd Ex. Sess., No. 99, p. 295

Imposed the tax on machines used in mining, quarrying, etc. at the rate of 1.5%; and increased rate on automotive vehicles to 1.5%.

Acts 1963, 2nd Ex. Sess., No. 105, p. 284

Changed rate to 4% on tangible personal property.

Acts 1987, No. 647, p. 1151

Amended Sections 40-23-61 and 40-23-63 Code of Alabama 1975, to provide that any over collection of use tax by a retailer from the customer is to be paid to the state and not retained by the retailer to increase the net profits of the business.

Acts 1988, 1st Ex. Sess., No. 867, p. 372

Increased the use tax rate on automotive vehicles, truck trailers, semitrailers and house trailers from 1.5% to 2% effective October 1, 1988; provided that the additional $.005 collected is to be deposited to the credit of the State General Fund.

Acts 1989, No. 920, p. 1823

Levied a 2% use tax on mobile home set-up materials and supplies.

Acts 1991, No. 576, p. 1060

Broadened the array of activities that would require an out-of-state seller to collect and remit use taxes.

Acts 1993, No. 711, p. 1384

Provided for the collection of state and local sales and use tax from the purchaser of a boat prior to registration.

Acts 1994, No. 622, p. 1162

Consolidated the motorboat sales and use tax with the provisions of motor vehicle sales and use tax.

Acts 1997, 1st Ex. Sess., No. 867, p. 208

Provided that the sale of prepaid telephone calling cards and prepaid authorization numbers be treated as the sale of tangible personal property.

Acts 1998, No. 192, p. 310

Provided that county and municipal sales and use taxes must generally conform to the corresponding state levies, except for the rate of tax.

Acts 1999, No. 570, p. 1122

Clarified that refinery, residue, or fuel gas generated by a petroleum-refining process and then utilized in the distillation or refining of petroleum products is exempt from sales and use tax.

Acts 1999, 2nd Ex. Sess., No. 650, p. 96

Changed the distribution of revenue generated from the 2% sales and use tax on automobiles and related items from 25% to the State General Fund and 75% to the Education Trust Fund to 42% to the State General Fund and 58% to the Education Trust Fund, effective January 1, 2001.

Acts 2001, No. 669, p. 1402

Authorized the Governor by executive order to establish a maximum discount at less than 3% for each seller or vendor collecting state use tax, effective June 1, 2001; and provided for the distribution of additional revenues.

Acts 2001, 3rd Ex. Sess., No. 975, p. 908

Provided for exemption from sales, use and lodging taxes for film production companies approved by the Alabama Film Office until September 30, 2005.

Acts 2001, 4th Ex. Sess., No. 1122, p. 1190

Provided that beginning with the first full fiscal year after Congress enacts legislation allowing states to collect sales and use taxes on remote sellers that the increase in sales and use taxes attributable to such sales shall be deposited by formula first to the Education Trust Fund Rainy Day Account, then to the State General Fund Rainy Day Account, and finally to the Education Trust Fund.

Acts 2002, No. 525, p. 1371

Provided for exemption from use tax for sellers who contract with a call center in service prior to October 1, 2003.

Acts 2005, 1st Ex. Sess., No. 305, p. 643

Extended the sunset date for the sales and use tax exemption allowed for film companies approved by the Alabama Film Commission until September 30, 2006.

Acts 2006, No. 574, p. 1507

Established an annual sales and use taxes holiday for the first full weekend in August of each year.

Acts 2006, No. 583, p. 1537

Exempted withdrawals from inventory by retailers from sales and use taxes if made for the purpose of making a gift to an entity that qualifies under federal law to receive tax exempt donations.

COMPARISON WITH NEIGHBORING STATES:

Florida

6% use tax on tangible personal property; 6% of the price per gallon on diesel fuel for consumption use, or storage by a trade or business, except for farming; 7% for telecommunications service and on electrical power or energy. A 6% tax is imposed on the use of machines and equipment, including parts and accessories, used in manufacturing, processing, compounding, producing, mining or quarrying personal property to be used in furnishing communication, transportation or public utility services. Motor vehicle dealers required to purchase dealer license plates must pay an annual dealer use tax of $27 for each dealer plate in addition to the license tax. No further use tax on the license plate is due if the dealer use tax is paid.

Georgia

4% use tax on tangible personal property.

Mississippi

7% use tax on tangible personal property with other rates ranging from 1% to 8%, the same as those rates imposed under the sales tax. Rates are from 1% to 3% for farm-related use.

Tennessee

7% use tax rate on tangible personal property (5.5% on grocery food) with other rates ranging from 1% to 8.25%, the same as those rates imposed under the sales tax.

UTILITY GROSS RECEIPTS TAX and UTILITY SERVICE USE TAX

STATUTORY AUTHORITY:

Sections 40-21-80 through 40-21-107 Code of Alabama 1975, as amended.

TAX BASE:

The Utility Gross Receipts Tax is a privilege tax on every utility (electricity, domestic water, natural gas, telegraph and telephone services) furnishing utility services in Alabama. (Although this is a direct tax on the utility service purchaser, it is collected by the utility service provider, with liability for payment of the tax to the state remaining with the provider.) The Utility Service Use Tax is a use tax which applies to the storage, use or other consumption in Alabama of such utility services. The privilege tax is based on the gross sales or receipts from the furnishing of the utility services. The use tax is based on the sales price of the service.

TAX RATE:

The tax is computed with respect to each person to whom services are furnished, stored, used or consumed at the following rates:

Electricity, domestic water or natural gas

If monthly gross sales or receipts (privilege tax) or sales price (use tax) respecting a person are:	The tax rate is:
Not over $40,000	4%
Over $40,000 but not over $60,000	$1,600 plus 3% of excess over $40,000
Over $60,000	$2,200 plus 2% of excess over $60,000

Telegraph or telephone services

On all gross sales or gross receipts the tax rate is 6%.

Telegraph and telephone utilities retain .25% of the gross amount of the tax billed.

COLLECTIONS:

For the privilege tax, by the Department of Revenue (Sales, Use and Business Tax Division) on or before the 20th of each month, for the preceding month's receipts. For the use tax, by the Department on or before the 20th of each month. However, taxpayers with an average monthly tax liability of $10,000 or greater during the preceding calendar year pay, on or before the 20th of the month in which the liability occurs, an estimated amount not less than that paid for the corresponding month of the preceding year.

Fiscal Year	Collections ($)*	Percent Change
2007-08**	434,549,561	6.05
2006-07	409,774,592	2.15
2005-06	401,161,834	12.91
2004-05	355,281,502	2.13
2003-04	347,884,032	1.78

*Includes Utility Gross Receipts Tax and Utility Service Use Tax. Collections are prior to refunds.

**FY 2008 includes approximately $16 million in accelerated receipts that normally would not have been collected until October 2008 (FY 2009).

Source: Department of Revenue's "Revenue Abstract."

MAJOR EXEMPTIONS:

A listing of exemptions and exclusions to the Utility Gross Receipts Tax is found in Sections 40-21-82.1 and 40-21-83 of the Code.

(1) Entities organized under Title 10, Chapter 4, Article 9 of the Code for the purpose of operating waterworks for unincorporated areas are exempt pursuant to Section 10-4-193. (County water authorities organized under Section 11-88-1 are not exempt (because of language in Act 69-21, Section 40-21-81 of the Code), except as listed in Section 40-21-82.1.)

(2) Pursuant to court case (Methodist Homes for the Aging v. Alabama Power Co.) nonprofit entities identified in Section 40–9–12 are exempt.

(3) U.S. Government entities are exempt.

(4) Section 40-21-80(a)(11)(i-vi) enumerates Utility Gross Receipts Tax exempt telephone services.

(5) Section 37-1-80.2 exempts the telephone surcharge for service to deaf and hearing-impaired customers from the Utility Gross Receipts Tax and the Utility Use Tax.

(6) A listing of exemptions and exclusions to the Utility Service Use Tax is found in Section 40-21-103 of the Code.

(7) Section 40-21-100(a)(17)(i-vi) enumerates Utility Service Use Tax exempt telephone services.

(8) Prepaid telephone calling cards and Internet access charges are exempt from the Utility Gross Receipts Tax and the Utility Service Use Tax.

(9) Section 41-23-30 authorizes the Alabama Department of Economic and Community Affairs to enter into contracts until June 30, 1996 with eligible enterprise zone businesses to provide exemptions from the Utility Gross Receipts Tax and the Utility Service Use Tax for up to 20 years.

(10) Section 40-90-4(d) exempts qualifying entities (defined so as to target ThyssenKrupp) from the Utility Gross Receipts Tax for up to 10 years.

DISTRIBUTION:

After deducting the cost of collection, $14.6 million of the Utility Gross Receipts Tax is deposited into the Special Mental Health Fund. The remainder of the Utility Gross Receipts Tax and all the Utility Service Use Tax is deposited into the Education Trust Fund.

LEGISLATIVE HISTORY:

Acts 1969, Ex. Sess., No. 21, p. 46

Established the Utility Gross Receipts Tax for all utilities at the following rates:

Gross Monthly Sales	Tax Rate
Less than $8,500	4%
$8,500-$20,000	$340 plus 3% over $8,500
$20,001-$40,000	$685 plus 2% over $20,000
Greater than $40,000	$1,085 plus 1% over $40,000

Acts 1969, Ex. Sess., No. 37, p. 88

Established the Utility Service Use Tax at same rates as Act 69-21 (above).

Acts 1969, No. 993, p. 1757

Deleted utility services stored, used or consumed by municipal utilities from the definition of "utility services" for purposes of the Utility Gross Receipts Tax; and exempted from the Utility Gross Receipts Tax consumption of certain utility services for specified purposes by municipalities, or an entity thereof.

Acts 1971, 1st Ex. Sess., No. 98, p. 172

Established Utility Gross Receipts Tax for all utilities at present rate of tax on electricity, water and gas.

Acts 1971, 1st Ex. Sess., No. 99, p. 173

Established Utility Service Use Tax for all utilities at present rate of tax on electricity, water and gas.

Acts 1983, No. 739, p. 1207

Revised the payment schedule of Utility Gross Receipts Tax so that payers of large tax liabilities will pay on an estimated basis during and for the period in which the tax liability accrues (one-time windfall for ETF).

Acts 1992, No. 623, p. 1466

Further defined telephone services which are (and are not) subject to the Utilities Gross Receipts Tax and the Utility Service Use Tax. Repealed the 2.5% Telephone Gross Receipts Tax and the 2.5% Telegraph Gross Receipts Tax; increased the Utility Gross Receipts Tax and the Utility Service Use Tax from 4% to

6.7% on sales to a person up to $40,000 per month, from 3% to 3.7% on the next $20,000 of sales per month, and from 2% to 3.7% on sales over $60,000 per month; and changed distribution of Utility Gross Receipts Tax from Education Trust Fund to current distribution.

Acts 1996, No. 206, p. 236

Authorized the Alabama Department of Economic and Community Affairs to enter into contracts until June 30, 1996 with eligible enterprise zone businesses to provide exemptions from the Utility Gross Receipts Tax and the Utility Service Use Tax for a period of up to 20 years. To qualify, a business must employ at least 1,200 people and make capital investments and capital improvements of at least $75 million within the enterprise zone.

Acts 1997, No. 867, p. 208

Excluded prepaid telephone calling cards from the Utility Gross Receipts Tax, the Utility Service Use Tax and the Cellular Radio Telecommunication Services Tax (and included them in the Sales and Use Taxes).

Acts 1998, No. 654, p. 1431

Exempted from the definition of "Telephone Services," for purposes of the Utility Gross Receipts Tax, access to the Internet; and exempted from the definition of "Telephone Services" for purposes of the Utility Service Use Tax, the Internet and access thereto.

Acts 2001, 4th Ex. Sess., No. 1090, p. 1120

Amended the Utility Gross Receipts Tax and the Utility Service Use Tax, as applied to telephone services, to include interstate telephone service, beginning with bills dated on or after February 1, 2002, regardless of when the services being billed were provided; changed the tax rate, beginning April 1, 2002, (1) from 6.7% to 6% if gross sales or receipts (privilege tax) or sales price (use tax) respecting a person are not over $60,000; and (2) from $4,020 plus 3.7% of excess over $60,000 to 6% if the gross sales or receipts or sales price is over $60,000; and provided that utilities furnishing telegraph or telephone services may deduct and retain from the gross amount of tax billed by the utility .9% of the tax billed on or after February 1, 2002 and .25% beginning October 1, 2002.

Acts 2004, No.397, p. 668

Amended the Utility Gross Receipts Tax and the Utility Service Use Tax to provide that if charges for nontaxable services are "bundled" with charges for taxable items, then the nontaxable charges are subject to the tax. If the utility can reasonably identify nontaxable charges from records kept in the normal course of business then the charge is not subject to taxation. Stated that a customer does not have a right to require the utility or the Department of Revenue to separate bundled charges in order to minimize the amount of tax charged to the customer.

Acts 2006, No. 292, p. 584

Amended the Utility Gross Receipts Tax and the Utility Service Use Tax to provide definitions and rules for the sourcing of telecommunication services for taxation purposes found in the Streamlined Sales and Use Tax Agreement.

Acts 2007, No. 199, p. 234

Alabama Economic Incentive Enhancement Act of 2007. Granted certain tax exemptions to qualifying entities (defined in the act so as to target ThyssenKrupp), including a Utility Gross Receipts Tax exemption for up to 10 years.

COMPARISON WITH NEIGHBORING STATES:

Florida

Annual gross receipts tax of 2.5% for any utility service providing electricity or gas used for light, heat or power, and 2.37% on residential and commercial landline and on mobile telecommunications services. Interstate and international telecommunications services are subject to the gross receipts tax if the charge therefor is billed to a Florida customer, number or telecommunications device. In addition, each telecommunications company licensed or operating in Florida must pay to the Public Service Commission a Telecommunications Company Regulatory Assessment fee. All natural gas transmission companies must pay an assessment fee to the Commission and all utilities regulated by the Commission must pay a Regulatory Assessment fee. All fees are based on gross operating revenues. A state sales tax of 7% is applied to customers' charges for electric power or energy (governmental entities are exempt). A state communications services tax of 6.8% is also applied to customers' charges for mobile telecommunications services, cable, faxes and commercial landline telecommunications services. When combined with the 2.37% services tax, the total tax is 9.17%. The total tax on satellite services when combined with the 2.37% services tax is 13.17%. Local jurisdictions impose their taxes at various rates. When bundled services include both taxable and nontaxable services, the entire package is taxable unless the company can identify the exempt services.

Georgia

No utilities tax based on gross receipts. Public Service Corporations and utilities subject to Public Service Commission pay an annual administrative expense assessment fee based on gross revenues so as to produce revenue of $1.05 million per year. A state sales tax of 4% is applied to customers' charges for natural or artificial gas, electricity, oil and local telephone service.

Mississippi

No gross receipts tax is levied. A privilege tax is levied instead as follows: Electric light and power companies pay $22.50 per mile of pole line; pipe line companies, $15 to $125 per pipe line mile, according to the diameter of the pipe; telephone companies, $.04 per telephone in service or $25, whichever is greater; and railroad companies, $5 to $90 per mile of railroad based on average earnings. A regulatory tax to pay for the expenses of the Public Utilities Commission is imposed on all utilities whose rates are subject to regulation and on all utilities not subject to such rate regulation that furnish electricity to the ultimate consumer. A state sales tax of 7% is applied to customers' charges for interstate and intrastate telephone services and residential noncommercial charges for electricity, water, and natural gas (governmental entities are exempt).

Tennessee

A gross receipts tax on gas, water, electric power and light companies and other public utilities at a rate generally of 3% of intrastate gross receipts (except gas companies that manufacture or distribute manufactured gas pay 1.5%). Annual exemptions for electric and water companies of $5,000. Credit is allowed for franchise and excise taxes paid. All governmental agencies and gas, water and power plants owned or operated by cities are also exempt. Public utility companies regulated by the Tennessee Regulatory Authority pay fees based on gross receipts over $5,000 at the rate of $3 per $1,000 for the first $1 million and $2 per $1,000 on gross receipts over $1 million. Public utilities with gas pipeline systems also pay a supervision fee that is based on the number of active gas meters as follows: up to 154 meters, $100; 155 to 2,000 meters, $.65 per meter; 2,000 to 10,000 meters, $.50 per meter; and each meter over 10,000, $.35. There is an additional fee for interstate pipeline companies with no gross receipts and no active meters at $4.75 per mile of 24 inch pipe and a minimum tax of $100. A state sales tax of 7% on water and intrastate telecommunications services (plus a 2.5% local surtax), and on gas and electricity sold for other than residential use is applied to customers' charges for such services (governmental entities are exempt), a state sales tax of 7% on general interstate telecommunications services (plus a 1.5% local surtax), and a state sales tax of 7.5% on business interstate telecommunications services (no local surtax). A privilege tax of 8.25% of the gross charges for satellite service and 9% for cable or wireless cable service in excess of $15.

PUBLIC UTILITIES LICENSE TAX

STATUTORY AUTHORITY:

Sections 40-21-50, 40-21-51, 40-21-53 through 40-21-55 and 40-21-62 through 40-21-64 Code of Alabama 1975, as amended.

TAX BASE:

License tax imposed for operating a public utility except railroads or sleeping car companies, express companies, telephone and telegraph companies. (See NOTE following DISTRIBUTION.)

TAX RATE:

2.2% on each dollar of gross receipts for the preceding year. (See NOTE following DISTRIBUTION.)

COLLECTIONS:

By the Department of Revenue (Sales, Use and Business Tax Division), quarterly on October 1, January 1, April 1 and July 1. (See NOTE following DISTRIBUTION.)

Fiscal Year	Collections ($)	Percent Change
2007-08	133,200,933	5.61
2006-07	126,121,654	17.55
2005-06	107,293,804	3.31
2004-05	103,855,864	9.20
2003-04	95,101,978	6.82

Source: Department of Revenue's "Revenue Abstract."

MAJOR EXEMPTIONS:

(1) Gross receipts from the sale of electricity for resale and from the sale of electricity to disabled persons and persons who are 62 years of age or older and who meet certain criteria are exempt.

(2) Municipal utility companies (electric, gas and water) are exempt by virtue of the "natural immunity" of municipalities from state taxes unless specifically included. Rural Electric Associations are subject to the tax.

(3) The Alabama Municipal Electric Authority (AMEA) makes a "payment in-lieu-of-taxes" of 2.2% of the gross receipts from all power sold by AMEA to member cities, deposited to the State General Fund (Section 11-50A-7 of the Code).

(4) County water, sewer and fire protection authorities organized pursuant to Title 11, Chapter 88 are exempt per Section 11-88-16 of the Code.

(5) Water authorities organized pursuant to Title 10, Chapter 4, Article 9 are exempt pursuant to Section 10-4-193 of the Code.

(6) Cellular telecommunication services and providers are exempt pursuant to Section 40-21-120 of the Code.

DISTRIBUTION:

After deducting the cost of collection: 15% is deposited to the State General Fund and 85% is deposited to the Special Mental Health Fund.

NOTE:

This tax is paid by utility companies in four equal increments. The companies, in turn, add 2.2% to their customers' bills for as long during the year as necessary to collect from their customers the amount paid by the utility companies. The tax is paid on total gross receipts, including the minimum monthly (base) charge. The overall base of this tax is larger than that of the 4% Utility Gross Receipts tax for utilities subject to both taxes because the base of this tax includes receipts to utility companies from federal entities. Utility companies vary as to how (and whether) they show this tax on customers' bills-it may be identified separately and totally (a separate 2.2% charge), it may be partially separately identified (typically when this is the case the 1.8% will be separately identified and the .4% will not, although the full 2.2% is charged), it may be separately identified in two parts (1.8% and .4%) or it may be combined with the 4% Utility Gross Receipts Tax (appearing as a 6.2% total charge). Although this is a tax on the utility company, the company treats it as a cost of doing business which it passes directly on to the customer. The October 1 payment is the first payment of each year, based on the twelve months preceding the closing of the company's books (which is usually sometime in September for most utility companies).

LEGISLATIVE HISTORY:

Acts 1935, No. 194, p. 256

Established the tax at .2% of gross receipts for public utilities except electric, hydroelectric, telephone or telegraph companies, railroads (or sleeping car) and express companies; and established the tax at .4% of gross receipts for electric and hydroelectric companies.

Acts 1971, No. 1412, p. 2406

Increased the tax rate to present rate for electric and hydroelectric companies.

Acts 1971, No. 1417, p. 2420

Increased the tax rate to present rate for public utilities except electric, hydroelectric, telephone or telegraph companies, railroad (or sleeping car) and express companies.

Acts 1981, No. 867, p. 1659

Provided an exemption from this tax (credit equal to the amount of the tax) levied on electricity sold to disabled persons and persons who are 62 years of age or older and who meet certain other specific criteria.

COMPARISON WITH NEIGHBORING STATES:

See “UTILITY GROSS RECEIPTS TAX” and “UTILITY SERVICE USE TAX.”

RESTORED (SALVAGE) VEHICLE INSPECTION FEE

STATUTORY AUTHORITY:

Section 32-8-87 (k)-(l) Code of Alabama 1975, as amended.

TAX BASE:

Application fee charged to an owner of a salvage motor vehicle designated a 1975 model or later which has been restored to the operating condition that existed prior to the event which caused the salvage certificate of title to be issued. The fee is charged for the inspection of the vehicle by the Department of Revenue to ensure compliance with the Uniform Certificate of Title and Anti-Theft Act.

TAX RATE:

$75 per application for inspection.

COLLECTIONS:

By Department of Revenue upon receipt of application for inspection.

Fiscal Year	Collections ($)	Percent Change
2007-08	946,628	(9.08)
2006-07	1,041,120	(11.22)
2005-06	1,172,680	(2.75)
2004-05	1,205,795	15.43
2003-04	1,044,646	5.76

Source: Department of Revenue's "Revenue Abstract."

DISTRIBUTION:

Proceeds are retained by the Department of Revenue and applied toward personnel and maintenance costs of the vehicle inspection program.

LEGISLATIVE HISTORY:

Acts 1985, No. 650, p. 1010

Established inspection fee at current rate.

COMPARISON WITH NEIGHBORING STATES:

Florida

$40 inspection fee.

Georgia

$100 inspection fee.

Mississippi

$75 inspection fee.

Tennessee

$75 inspection fee.

VITAL STATISTICS FEES

STATUTORY AUTHORITY:

Section 22-9A-23 Code of Alabama 1975, as amended.

TAX BASE:

A fee charged for the searching, amending and copying of various records kept by the Office of Vital Statistics, State Department of Public Health. Records include certificates of birth, death, marriage, divorce or annulment and reports of fetal death and induced termination of pregnancy.

TAX RATE:

Fee schedule is provided as follows:

Search, reporting and copying of one record[1]	$12
Each additional copy of the same record[1]	$4
Issuance of an authenticated or exemplified copy[2]	$20
Preparation and copy of an amended record and issue a certified copy	$15
Preparation of a new birth certificate after legitimization or adoption and issue a certified copy	$20
Preparation of a delayed certificate and issue a certified copy	$20
Forwarding of legal documents for an adoption granted in this state for person born in another state	$10
Additional fee for non–routine, same day expedited service, and all special delivery mail	$10
Special birth certificate suitable for framing[3]	$40
Non-routine special or research project[4]	See below
Orders by phone with a credit card[5]	See below

[1] If copies are made at the local registration district, the local office retains a portion of the fees as prescribed by the State Board of Health.
[2] Includes the $5 certification fee of the Secretary of State.
[3] $15 of this amount forwarded to the Children's Trust Fund.
[4] To be determined by the State Registrar.
[5] Fees are dependent upon services requested as determined by the State Registrar.

COLLECTIONS:

By the State Registrar.

Fiscal Year	Collections ($)*	Percent Change
2007-08	5,130,423	(1.29)
2006-07	5,197,444	21.74
2005-06	4,269,169	5.30
2004-05	4,054,285	6.41
2003-04	3,809,984	3.00

*Excludes local registration office fees and Children's Trust Fund receipts.

Source: "Comparative Summary of Revenues by Revenue Source" Report-Comptrollers Office.

MAJOR EXEMPTIONS:

(1) Hospitals are exempt from the payment of any fee associated with vital statistics.

(2) Section 26-9-12 of the Code exempts incompetent veterans and their dependents requesting certificates or records when needed to obtain any veterans' benefits.

DISTRIBUTION:

Fees collected, except as provided for local registration offices and the Children's Trust Fund, are deposited into the Vital Statistics Fund to the credit of the State Board of Health, to fund operations related to vital statistics.

LEGISLATIVE HISTORY:

Acts 1919, No. 658, p. 909

Further defined the duties and responsibilities of the state and local health departments; created the State Registrar and Bureau of Vital Statistics and provided for the collection of fees by both state and local authorities; and provided that state fees be deposited in the state treasury. Exemptions were provided for parents and guardians requesting certificates for their children entering school or for securing employment and for the U.S. Census Bureau requesting data from the state.

Acts 1943, No. 492, p. 454

Earmarked fees deposited into the state treasury for the use of the State Health Department to implement the provisions of the Vital Statistics Act; and provided that a county maintaining a full-time county registrar may issue certificates and may charge a fee of $.50 for each copy, to be deposited into the county treasury and used for county health services. An additional statewide exemption was allowed for a parent or guardian requesting a certificate when necessary for their child's employment or for securing employment.

Acts 1959, No. 636, p. 1549

Expanded the fee schedule to include:

Records search and certified copy	$1
Each authenticated copy (including the Secretary of State's fee)	$3
Each birth or death verification	$.50
Special searches fee (per hour charge)	$2

This act also eliminated the specified exemptions.

Acts 1969, No. 1118, p. 2072

Changed the fee schedule as follows:

Records search and certified copy	$2
Each additional certified copy at the same time	$1
Each authenticated copy (including the Secretary of State's fee)	$5
Special searches fee (per hour charge)	$3

Required collections to be deposited into the newly created Vital Statistics Fund, to be used for the implementation of the vital statistics program; and raised the county fee charged to $1 per certificate.

Acts 1975, 4th Ex. Sess., No. 111, p. 2800

Increased the fee schedule as follows:

Records search and certified copy	$3
Each additional copy of the same	$1
Preparation and issuance of authenticated copy	$5
Completion of a presumptive or special search fees (per hour charge)	$3
Preparation of an authenticated copy of an amendment to the original record of birth after legal adoption	$5

Also raised the county fee for a search and certified copy of a record to $3 plus a $1 fee for each additional copy of the same record.

Acts 1980, No. 604, p. 1022

Increased the fee schedule as follows:

Records search and/or making certified copy	$5
Each additional copy of the same	$2
Each authenticated copy (including the Secretary of State's fee)	$8
Special searches fee (per hour or any fraction of an hour charge)	$5
Preparation and issuance of authenticated copy of an amended report	$8
Preparation of a delayed certificate	$8
Preparation of a new certificate after legal adoption	$8

Also raised the county fee for a search and certified copy of a record to $5 plus a $2 fee for each additional copy of the same record.

Acts 1992, No. 607, p. 1255

Repealed the entire vital statistics section of the Code and revised and supplemented the existing statewide system for registering certain vital records and statistical data; and increased fees for obtaining vital statistics data to present rates. (See TAX RATE.)

COMPARISON WITH NEIGHBORING STATES:

Florida

The Office of Vital Statistics is the repository for the state's vital statistics records. Fee categories are as follows: birth certificates, $9; additional copies of same record, $4; commemorative birth certificate signed by the current governor, $34; certification of the registrated birth on file, $14; death, marriage, divorce and annulment records, $5; searches, $2 per year, maximum $55; additional copies ordered at same time, $4 each; amendments, $20; additional copies, $4 each; exemplified copies, $10; commemorative birth or marriage certificates, $25 plus $5 search fee; amended certificates, $20; credit card surcharge, $4.50; and rush or expedited service, $10. Local fee charges vary by county.

Georgia

The state's vital statistics records are kept in the Office of the State Vital Records Service. The fees charged for searches and copies of records include: birth, death or marriage certificates, $10; additional copies of the same record, $5; correction or amendment to a record, $10; multiple year search, $10. There is no fee to amend a birth certificate during first year from date of birth. Birth and death certificates are available at the local health department for $10. Phone orders with a credit card are accepted at a cost of $9.95 ($10 for record and a $9.95 surcharge). Records are sent by first class mail. Overnight delivery by Federal Express is available for an additional $16.81. Divorce record, $10.

Mississippi

The state's vital statistics are kept in the Office of Vital Statistics. The fee schedule is as follows: birth certificates (newborns), $15; birth certificates, $15; additional copies of birth certificates, $5; delayed birth certificate, $25; marriage certificates, $15; death certificates, $15; additional copies of death and marriage certificates (ordered at the same time), $5; corrected or amended certificates, $25; extended searches including genealogical searches, $25/hour; adoption record, $50. The records are closed to county offices and no fees are charged locally. Residents may use a credit card to request information for $7.50 plus the regular charge for the record or certificate and any charges to expedite; regular mail, $22.50; Federal Express, $42.

Tennessee

The state's records are kept in the Office of Vital Records, with adoption records kept in a separate Division of Adoption and Legitimization. The fee schedule is as follows: birth certificates, $7 (short form) and $12 (long form); additional copies, $4; adoption and legitimacy birth certificate, $27 plus $4 for each additional copy; amended birth or death certificate (short form), $22; amended birth certificate (long form) $27; amended current birth and issue, (short form) $7 and (long form) $12; delayed birth and issue, (long form) $27; amended birth and no issue, $15; adoption and legitimacy birth and issue (short form) $22; foreign birth issue, $27; open sealed adoption birth file and issue, $30; birth certificate photocopy, $4; birth search (for each year), $7 plus $4 for each additional copy; delayed death certificate, $22; death research, $7; verifications of death, $12; death uncertified without cause of death, death search, $7 (per additional year); death certificate with cause of death, $7; marriage and divorce certificate, $12; amended certificate, $27; delayed issue, $27; amended current and issue, $12; uncertified, $12; verification, $12; photocopy, $4; search per year, $12; UPS, $13.50; expedite, $5; UPS and expedite, $18.50; credit card processing, $10 plus cost of certificate.

APPROPRIATION OF STATE FUNDS FOR FISCAL YEAR 2008-09 AND ESTIMATED PERCENTAGE BREAKDOWN BY FUND/FUNCTION

	STATE GENERAL FUND (1)	% OF SGF TOTAL	EDUCATION TRUST FUND (1)	% OF ETF TOTAL	OTHER STATE FUNDS (2)	% OF OTHER TOTAL	TOTAL STATE FUNDS	% OF TOTAL
GENERAL APPROPRIATION ACTS:								
LEGISLATIVE BRANCH	62,072,592	3.00%	18,222,485	0.29%			80,295,077	0.70%
JUDICIAL BRANCH	228,436,861	11.04%			19,166,133	0.63%	247,602,994	2.15%
EXECUTIVE BRANCH:								
ABC BOARD					79,925,057	2.64%	79,925,057	0.70%
AGRICULTURE & FORESTRY	39,816,412	1.92%			28,203,441	0.93%	68,019,853	0.59%
CONSERVATION					110,200,489	3.63%	110,200,489	0.96%
CORRECTIONS & YOUTH SERVICES	387,412,174	18.73%	51,422,682	0.80%	65,706,135	2.17%	504,540,991	4.39%
HUMAN RESOURCES	116,181,483	5.62%	15,739,683	0.25%	124,901,915	4.12%	256,823,081	2.23%
MEDICAID	623,794,431	30.15%			602,924,469	19.88%	1,226,718,900	10.67%
MENTAL HEALTH	144,858,397	7.00%	588,066	0.01%	221,573,647	7.31%	367,020,110	3.19%
PUBLIC HEALTH	89,630,737	4.33%	17,227,152	0.27%	228,543,070	7.54%	335,400,959	2.92%
PUBLIC SAFETY	87,333,752	4.22%			54,175,000	1.79%	141,508,752	1.23%
REVENUE	391,093	0.02%			131,371,060	4.33%	131,762,153	1.15%
TRANSPORTATION					567,875,801	18.73%	567,875,801	4.94%
DEBT SERVICE					90,360,826	2.98%	90,360,826	0.79%
NON-STATE APPROPRIATIONS	1,901,348	0.09%			970,600	0.03%	2,871,948	0.02%
OTHER APPROPRIATIONS	286,916,927	13.87%	136,126,794	2.13%	534,375,098	17.62%	957,418,819	8.33%
ETF APPROPRIATION ACTS:								
K - 12 FOUNDATION PROGRAM			4,386,528,107	68.64%	172,276,114	5.68%	4,558,804,221	39.67%
POSTSECONDARY EDUCATION			445,570,810	6.97%			445,570,810	3.88%
UNIVERSITIES (INCLUDING ACHE)			1,303,371,692	20.39%			1,303,371,692	11.34%
PRIVATE SCHOOLS			1,277,769	0.02%			1,277,769	0.01%
STATE RELATED SCHOOL			11,876,531	0.19%			11,876,531	0.10%
DEBT SERVICE			3,012,281	0.05%			3,012,281	0.03%
TOTALS (3)	2,068,746,207	100.00%	6,390,964,052	100.00%	3,032,548,855	100.00%	11,492,259,114	100.00%

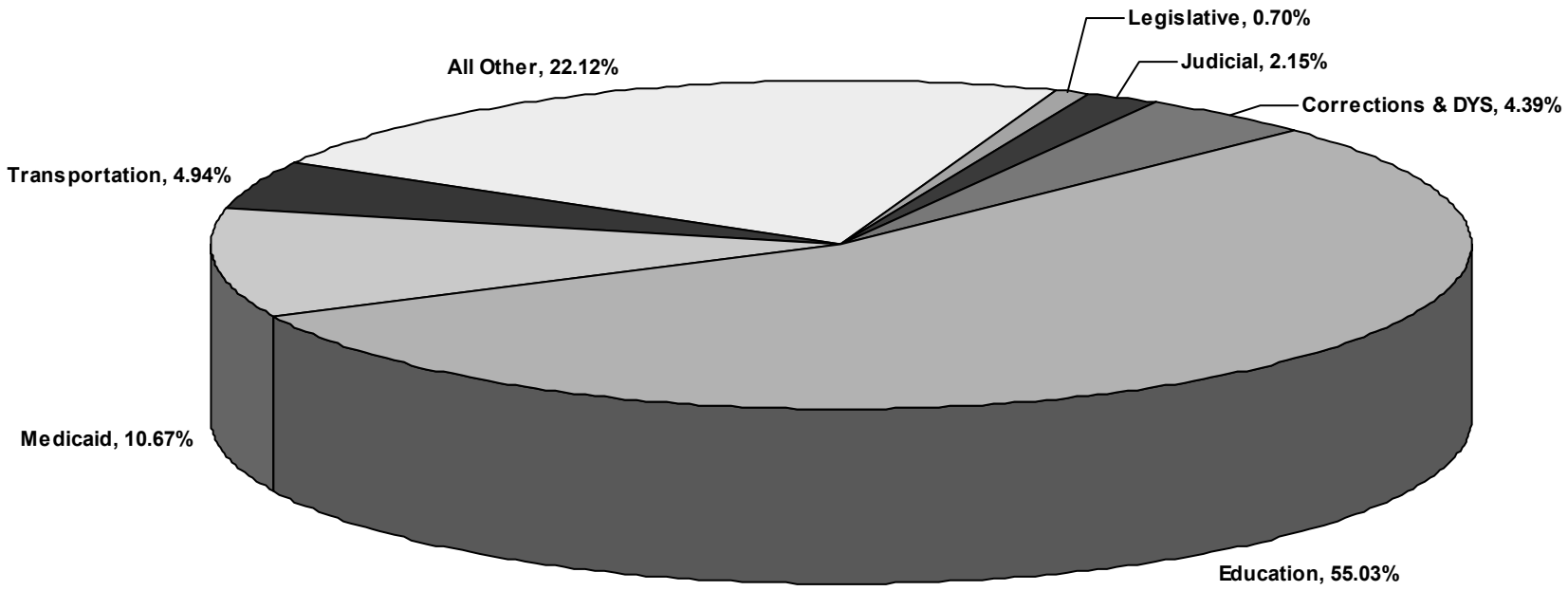
Appropriations as of **11/30/2008**.

(1) Includes FY 2008 reversions reappropriated for FY 2009.

(2) Includes taxes, fees and charges collected by state agencies, Children First Trust Fund and tobacco settlement fund appropriations; does not include bond proceeds, interagency transfers, or federal funds.

(3) Totals may not add due to rounding.

Appropriation of All State Funds for FY 2009



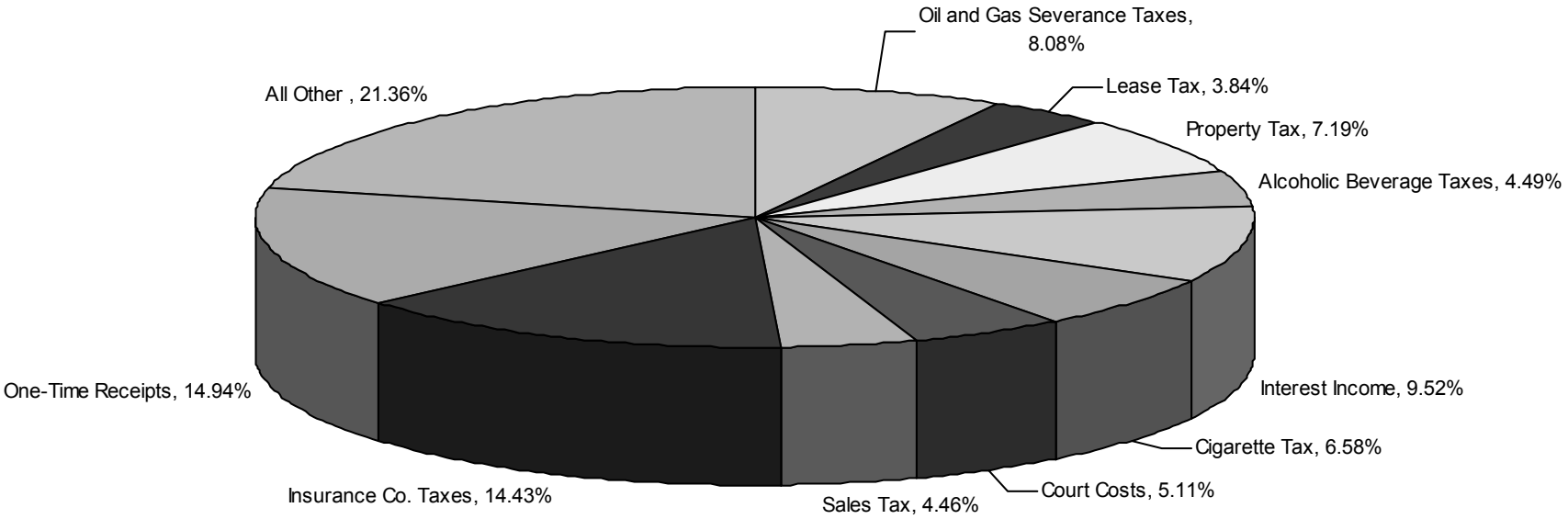
Appropriation of State General Fund for FY 2009

STATE GENERAL FUND RECEIPTS
FISCAL YEARS 2004-2008

NET RECEIPTS	FY 03-04		FY 04-05		FY 05-06		FY 06-07		FY 07-08	
ABANDONED PROPERTY TAX	18,000,000	(1)	31,000,000	(13)	30,000,000		55,000,000	(17)	45,000,000	(19)
A.B.C. BOARD	73,580,590		79,815,646		80,416,669		83,230,692		81,414,506	
AD VALOREM TAX	96,528,942		100,905,868		109,481,118		118,601,855		130,403,575	
AUTO TITLE TAX	21,739,752		22,923,988		22,912,134		22,410,828		21,876,417	
CELLULAR TELEPHONE	48,286,682		54,283,735		58,303,579		65,058,519		65,211,100	
CIGARETTE TAX	68,856,064	(2)	126,220,692	(2)	127,455,557		124,340,614		119,423,531	
BUSINESS ENTITY TAXES	17,156,098		17,221,875		17,416,860		32,303,576	(3)	37,227,234	(3)
COURT COSTS-JUDICIAL ARTICLE	63,369,964	(4)	72,364,871	(4)	77,474,812		84,248,855		92,726,285	
DEBT PROCEEDS	19,672,000	(5)	0		0		0		0	
DEED RECORD TAX	6,652,896		8,647,036		9,171,882		9,731,750		8,060,024	
DRIVER LICENSE FEES	16,057,493		14,310,390		14,021,229		15,923,064		17,222,487	
FINANCIAL INSTIT. EXCISE TAX	12,464,474		9,749,811		25,482,587		20,022,100		9,707,685	
FREIGHT LINE & EQUIP. CO. TAX	2,625,897		2,751,507		2,765,834		3,011,073		3,299,488	
HAZARDOUS WASTE	(192,947)		193,208		(452,404)		369,101		259,635	
ESTATE TAX	24,744,045		14,566,183		1,865,283		670,977		(303,785)	
INSURANCE PREMIUM TAX	208,072,908		239,191,250		240,617,692		244,682,317		261,819,301	
INTEREST-ALA. TRUST FUND	88,287,071	(6)	99,863,393	(6)	115,273,091	(6)	121,957,704	(6)	213,311,504	(6)
INTEREST ON STATE DEPOSITS	17,697,652		50,638,872		105,670,429		130,389,801		76,622,698	
JUDICIAL ADMIN FEES	222,433		196,701		159,487		126,930		112,859	
LEASE TANG. PERS. PROP.	60,519,679		64,542,355		68,732,848		70,502,447		69,692,511	
LODGINGS TAX	24,394,951		25,888,142		29,792,228		32,336,010		33,925,067	
MANUFACTURED HOME FEES	782,763		776,147		772,698		718,552		679,251	
MISC. DEPT FEES & RECEIPTS	80,427,563	(7)	4,362,624		35,336,043	(15)	4,679,626		112,304,611	(20)
MORTGAGE RECORD TAX	36,585,728		37,201,058		43,472,312		45,204,637		38,695,118	
MOTOR VEH LICENSE	38,868,466		39,663,970		40,943,571		41,545,284		41,913,649	
OIL AND GAS PRODUCTION	79,410,910	(8)	104,977,127	(8)	139,957,308		109,244,116		146,533,051	
OIL CO LICENSES	3,176,320		4,146,197		5,394,025		6,112,678		5,026,902	
PARI-MUTUEL TAX	3,227,817		3,098,363		3,206,932		2,968,111		2,668,067	
PRIVILEGE LICENSE TAX	4,954,251		5,367,788		5,681,124		5,695,696		5,640,164	
PUBLIC SAFETY MISC.	17,122,677		17,253,887		16,521,802		17,123,900		18,476,964	
PUBLIC UTILITY REC TAX	14,265,295		15,578,494		16,094,070		19,242,499		20,130,479	
SALES AND USE TAX ON AUTOS	92,439,842	(9)	110,591,001	(9)	126,219,476		86,257,462		80,948,280	
SALES TAX DISCOUNT	11,802,080	(10)	12,954,974		14,326,178		15,748,250		15,958,844	
STATE SECURITIES COMM.	4,902,863		5,429,904		5,844,092		6,145,566		6,306,603	
TOBACCO - MEDICAID WAIVER	2,534,950		2,500,000		2,180,982		2,200,103		2,383,843	
TOBACCO TAX	3,827,134	(11)	5,528,587	(11)	5,238,627		5,238,134		5,104,630	
USE TAX DISCOUNT	2,059,737	(12)	2,553,277		2,209,282		368,311		528,799	
UNCLASSIFIED	0		0		0		0		0	
SUB-TOTAL	1,285,125,040		1,407,258,921		1,599,959,437		1,603,411,138		1,790,311,377	
TRANSFERS AND REVERSIONS	12,327,145		29,971,029	(14)	56,491,902	(16)	31,170,010	(18)	24,001,226	(21)
GRAND TOTAL	**1,297,452,185**		**1,437,229,950**		**1,656,451,339**		**1,634,581,148**		**1,814,312,603**	

(1) Includes one-time receipts of $8,000,000.
(2) FY 2004 includes $30,037,325 and FY 2005 includes $88,098,462 from increased tax rate per Act 2004-545.
(3) FY 2007 includes $15,000,000 and FY 2008 includes $19,000,000 from privilege and shares escrow account.
(4) FY 2004 includes $3,611,371 and FY 2005 includes $12,009,110 from court cost increase per Act 2004-636.
(5) Proceeds from interest rate swap agreement between the state and several brokerage firms per Act 2004-533.
(6) FY 2004 includes $23,619,820; FY 2005 includes $21,409,782; FY 2006 includes $31,862,827; FY 2007 includes $34,979,281; and FY 2008 includes $117,267,060 in unrealized gains transferred pursuant to Constitutional Amendment 666.
(7) Includes one-time receipts of $75,612,290 from unearmarked federal funds transferred from the ETF.
(8) FY 2004 includes $792,164 and FY 2005 includes $8,802,481 from temporary privilege tax per Act 2004-635.
(9) FY 2004 includes $3,069,596 and FY 2005 includes $16,759,479 from repeal of contractor's sales and use tax exemption per Act 2004-638.
(10) Includes amount pledged for debt service on state parks and historical sites bonds and the SGF per Act 2000-731.
(11) FY 2004 includes $1,013,066 and FY 2005 includes $2,764,293 from increased tax rate per Act 2004-545.
(12) Revenue distributed to SGF per Act 2001-669.
(13) Includes one-time receipts of $5,000,000 and additional receipts of $12,000,000 from the demutualization of property per Act 2004-440.
(14) Includes one-time transfers of $3,662,006 from the Mental Health Finance Authority; $8,000,000 from the Securities Commission; $1,000,000 from the Insurance Department; $500,000 from the Public Service Commission; and $1,038,607 from the Attorney General's Office.
(15) Includes one-time transfer of $30,303,930 for sales tax distribution error.
(16) Includes one-time transfer of $47,258,750 from tobacco revenue balances.
(17) Includes one-time receipts of $25,000,000.
(18) Includes one-time transfer of $11,295,111 from tobacco revenue balances and a refund of FEMA disaster funds of $9,923,628.
(19) Includes one-time receipts of $15,000,000.
(20) Includes one-time transfers of $85,750,235 from the Exxon lawsuit; $4,746,080 from pharmaceutical settlement; and $17,023,881 from Corrections asset sale.
(21) Includes one-time transfer of $12,237,060 from tobacco balances.

State General Fund FY 2008 Receipts

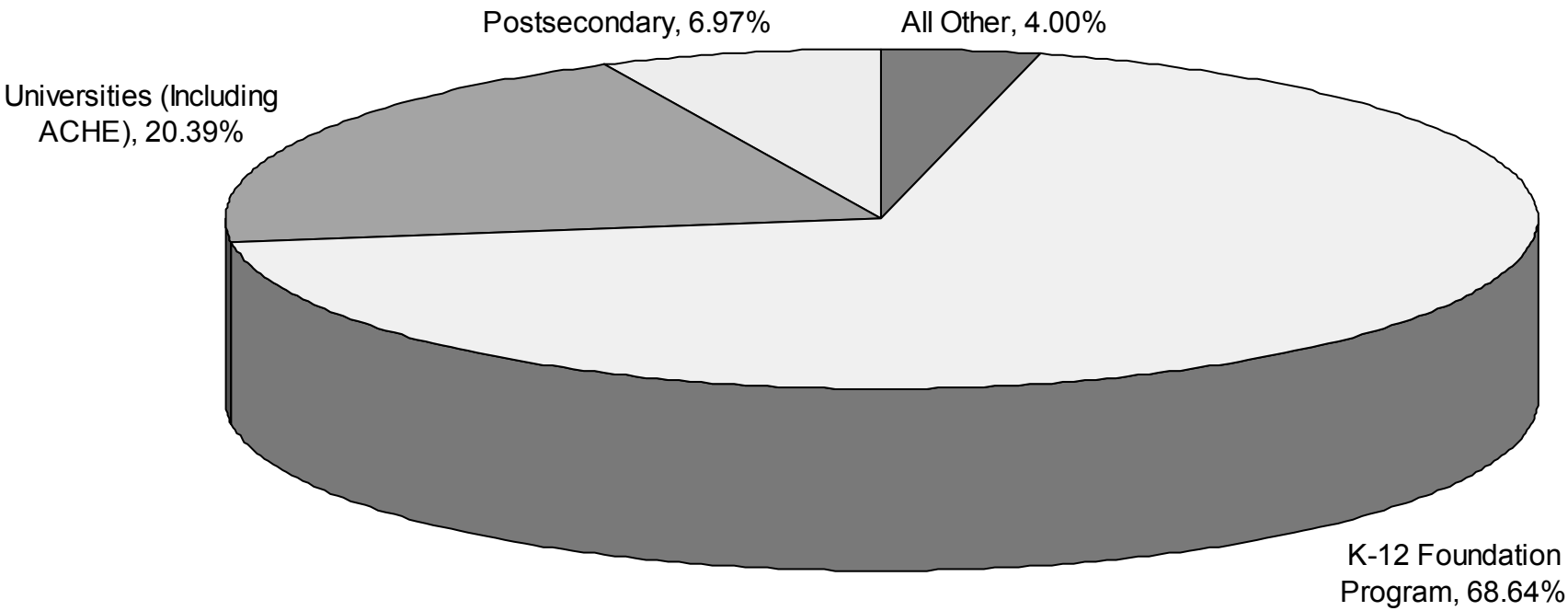


GENERAL FUND
RECEIPTS AND EXPENDITURES

	GENERAL FUND RECEIPTS			GENERAL FUND EXPENDITURES		
FISCAL YEAR	AMOUNT		CHANGE	AMOUNT		CHANGE
1983	$455,057,723	A,B	9.73%	$466,124,951		11.27%
1984	$507,718,505	C	11.57%	$486,053,460		4.28%
1985	$608,864,958	D,E	19.92%	$572,933,294		17.87%
1986	$583,925,573	F	-4.10%	$633,057,336		10.49%
1987	$603,782,859	G	3.40%	$582,355,893	G	-8.01%
1988	$669,225,673	H	10.84%	$666,452,317		14.44%
1989	$713,463,977		6.61%	$727,436,019		9.15%
1990	$750,230,918	I	5.15%	$737,967,964		1.45%
1991	$797,383,173	J	6.29%	$827,730,791		12.16%
1992	$808,334,687	J,K	1.37%	$785,578,853		-5.09%
1993	$832,517,581	L	2.99%	$810,547,704		3.18%
1994	$836,506,295	M	0.48%	$862,748,583		6.44%
1995	$874,315,598	N	4.52%	$864,335,797		0.18%
1996	$896,910,316	O	2.58%	$893,923,750		3.42%
1997	$913,394,224		1.84%	$924,512,500		3.42%
1998	$980,688,962	P,Q	7.37%	$966,234,023		4.51%
1999	$1,028,896,601		4.92%	$1,008,230,029		4.35%
2000	$1,130,069,255	R	9.83%	$1,127,796,166		11.86%
2001	$1,163,074,891	S	2.92%	$1,198,432,091		6.26%
2002	$1,144,312,996	T	-1.61%	$1,205,131,989		0.56%
2003	$1,315,808,303	U	14.99%	$1,234,836,991		2.46%
2004	$1,297,452,185	V	-1.40%	$1,261,423,837		2.15%
2005	$1,437,229,948	W	10.77%	$1,425,762,451		13.03%
2006	$1,656,451,339	X	15.25%	$1,561,372,279		9.51%
2007	$1,634,581,148	Y	-1.32%	$1,658,721,549		6.23%
2008	$1,814,312,603	Z	11.00%	$1,834,413,761		10.59%

A. An actual deposit of $7,112,683 of FY 1982-83 interest was made in FY 1981-82. Therefore, FY 1982-83 receipts would normally have been $7,112,683 higher.
B. Includes $8,260,000 from Insurance Fund for Medicaid and $4,014,096 from prior year oil and gas production tax receipts.
C. Includes $16,998,778 from Oil and Gas court settlement and $18,300,000 from budget enhancements.
D. Includes $11,110,565 for Highway Refunding Bond interest.
E. Includes one-time Sales Tax receipts of $28,096,285.
F. Includes Highway Refunding Bond interest (last receipt) of $6,327,593.
G. Does not include $25 million from the State Insurance Fund and $15 million from the Revenue Sharing Account which was used to fund agencies traditionally receiving General Fund money.
H. Includes $50 million one-time Insurance Premium Tax.
I. Includes $7.2 million in corporation tax due in FY 1989 but not collected until FY 1990 due to Franchise Tax lawsuit. Also includes only 11 months Sales and Use Tax collections (additional 12th month would have been an estimated $1.5 million) and only 4 months of Cellular Telephone Tax.
J. $5,761,376 was collected in FY 1991 but held in Revenue Department Escrow Fund until FY 1992.
K. Includes $15.4 million of Corporation Tax one-time audit collections
L. Includes estimated $22 million in one-time money from Insurance Premium Tax acceleration and $3,433,371 in one-time money from Guaranty Fund refund.
M. Includes $3,756,323 from one-time acceleration of ABC Board receipts, $5,130,229 one-time receipt from Insurance Guaranty Fund refund, $10,884,000 from Debt Service Forward Delivery Agreements, and $5,552,101 one-time transfer from Mobile Harbor escrow.
N. Includes $1,839,639 from one-time sale of unclaimed property and $4.2 million from acceleration of deposit of expired state warrants.
O. Includes $5,000,000 from Guaranty Fund refund.
P. Includes $2,000,000 from Guaranty Fund refund.
Q. Includes $2,472,000 from FY 97 and $3,000,000 from FY 99 unclaimed property receipts.
R. Includes $20,030,878 from a one-time deposit of tobacco settlement receipts.
S. Includes $6,800,000 in one-time unclaimed property receipts.
T. Includes $20,000,000 transfer from the Dept. of Mental Health and $4,000,000 transfer from the Incentives Financing Authority.
U. Includes $10,000,000 in one-time unclaimed property receipts; $71,000,000 transferred from the Privilege Tax Escrow Fund; $75,612,290 in one-time federal funds; $14,122,993 from the Amoco Settlement; $13,431,699 from the Shell Settlement; and $2,417,000 from the sale of land by the Dept. of Corrections.
V. Includes $8,000,000 in one-time unclaimed property receipts; $75,612,290 in one-time federal funds transferred from the Education Trust Fund; $19,672,000 from interest rate swap agreements; and $23,619,820 from unrealized capital gains from the Alabama Trust Fund.
W. Includes $5,000,000 in one-time unclaimed property receipts; $3,662,006 transfer from Dept. of Mental Health; additional $8,000,000 transfer from the Securities Commission; additional $1,000,000 transfer from the Insurance Department; additional $500,000 transfer from the Public Service Commission; $1,038,607 transfer from the Attorney General's Office; and $21,409,782 from unrealized gains from the Alabama Trust Fund.
X. Includes $47,258,750 in one-time transfer of tobacco settlement revenues; $30,303,930 in one-time transfer to correct an error in sales tax distributions; and $31,862,827 from unrealized gains from the Alabama Trust Fund.
Y Includes $11,295,111 in one-time transfer of tobacco settlement revenues; $15,000,000 transferred from the Privilege Tax Escrow Fund; $25,000,000 in one-time unclaimed property receipts; and $34,979,281 from unrealized gains from the Alabama Trust Fund.
Z Includes $15,000,000 in one-time unclaimed property receipts; $19,000,000 transferred from Privilege Tax Escrow Fund; $85,750,235 from Exxon lawsuit; $117,267,060 from unrealized gains from the Alabama Trust Fund; $17,023,881 from Corrections asset sale; $12,237,060 in one-time transfer of tobacco settlement revenues; and $4,746,080 from pharmaceutical settlement.

Appropriation of Education Trust Fund for FY 2009

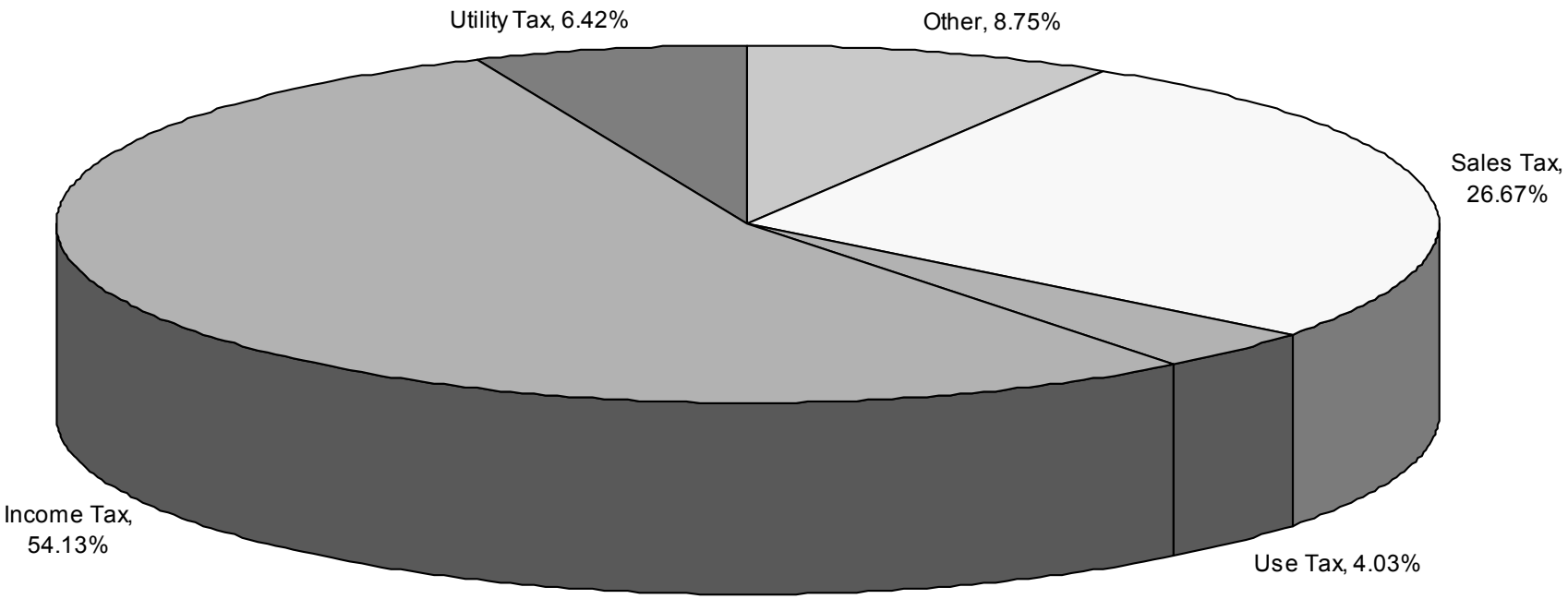


EDUCATION TRUST FUND RECEIPTS
FY 2004 THROUGH FY 2008

	ACTUAL FY 03-04	ACTUAL FY 04-05	ACTUAL FY 05-06	ACTUAL FY 06-07	ACTUAL FY 07-08	
BEER TAX	20,873,217	21,180,928	21,959,644	22,308,475	22,419,772	
HYDROELECTRIC TAX	1,720	714,361	1,125,475	407,923	(314)	
INCOME TAX	2,433,120,448	2,832,210,205	3,173,296,526	3,392,631,460	3,472,007,878	
INSURANCE PREMIUM TAX (1)	30,993,296	30,993,296	30,993,296	30,993,296	30,993,296	
MOBILE TELECOMM TAX	26,390,208	29,387,744	31,397,977	34,777,910	34,855,671	
SALES TAX	1,422,716,833	1,501,483,887	1,611,508,358	1,727,612,404	1,711,075,440	
STORE LICENSES	513,612	528,137	525,241	605,825	614,339	
USE TAX	193,528,712	220,352,865	247,778,389	257,348,080	258,438,578	
UTILITY TAX	325,844,204	331,322,319	376,871,893	386,856,154	411,878,604	
SUBTOTAL	4,453,982,250	4,968,173,741	5,495,456,799	5,853,541,529	5,942,283,264	
TRANSFERS & REVERSIONS	2,044,619	1,081,497	2,905,138	485,665	472,347,407	(2)
TOTAL	4,456,026,869	4,969,255,238	5,498,361,937	5,854,027,193	6,414,630,671	

(1) Capped at FY 1992 level by Act 93-679.
(2) Includes one-time transfer of $439,372,515 from the Proration Prevention Account and $32,000,000 repayment from the PSCA.

Education Trust Fund FY 2008 Receipts



EDUCATION TRUST FUND
RECEIPTS AND EXPENDITURES

Fiscal Year	ETF RECEIPTS Amount	ETF RECEIPTS Change	ETF EXPENDITURES Amount	ETF EXPENDITURES Change
1983	$1,466,721,321	8.20%	$1,469,145,734	8.35%
1984	$1,718,996,116 B	17.20%	$1,477,571,556	0.57%
1985	$1,822,580,225 C	6.03%	$1,824,205,375	23.46%
1986	$1,886,141,299	3.49%	$2,136,512,263	17.12%
1987	$2,087,058,529	10.65%	$2,047,466,345	-4.17%
1988	$2,217,014,886 D	6.23%	$2,112,773,900	3.19%
1989	$2,373,481,524 E	7.06%	$2,483,060,672	17.53%
1990	$2,481,832,988 F	4.57%	$2,482,004,527	-0.04%
1991	$2,524,540,232 G	1.72%	$2,558,206,830	3.07%
1992	$2,623,153,373 H	3.91%	$2,621,045,355	2.46%
1993	$2,827,045,036 I	7.77%	$2,757,564,315	5.21%
1994	$3,020,782,528 J	6.85%	$2,997,076,069	8.69%
1995	$3,203,670,344	6.05%	$3,287,001,937	9.67%
1996	$3,346,547,104	4.46%	$3,345,617,091	1.78%
1997	$3,527,022,712	5.39%	$3,550,737,409	6.13%
1998	$3,734,614,941	5.89%	$3,721,359,200	4.81%
1999	$3,911,479,690	4.74%	$3,911,156,500	5.10%
2000	$4,114,571,877	5.19%	$4,115,371,659	5.22%
2001	$4,015,374,184	-2.41%	$4,036,182,733	-1.92%
2002	$4,133,348,664 K	2.94%	$4,138,712,868	2.54%
2003	$4,249,955,349 L	2.82%	$4,252,726,523	2.75%
2004	$4,456,026,869	4.85%	$4,281,961,572	0.69%
2005	$4,969,255,238	11.52%	$4,597,071,293	7.36%
2006	$5,498,361,937	10.65%	$5,383,104,303	17.10%
2007	$5,854,027,193	6.47%	$6,273,363,954	16.54%
2008	$6,414,630,671 M	9.58%	$6,694,675,698	6.72%

Notes:

A. One-time receipts from the acceleration of income tax - $66,000,000.

B. 1983 Special Session corporate income tax increase of $33,750,000 and a utility tax increase of $11,000,000.

C. The second year of the corporate income tax windfall of $33,750,000.

D. Includes one-time receipts from insurance premiums of $12,100,000.

E. Includes $28 million per Acts 88-954 and 88-952 (Pari-mutuel Tax and conforming Alabama income tax law to federal income tax law regarding deductions for consumer interest and entertainment, meals and travel.)

F. Includes $21 million transferred to the ETF from the Proration Prevention Account.

G. Includes $33,314,779 transferred to the ETF from the Proration Prevention Account.

H. Includes $14,000,000 from Use Tax acceleration.

I. Includes $6 million from one-time Insurance Premium Tax acceleration.

J. Includes $38,466,386 in net increase from PSCA bond refinancing.

K. Includes one-time transfers as follows:

Department of Mental Health/Mental Retardation - $10,000,000

Department of Finance Data Center Fund - $18,000,000

Department of Finance Telecommunications Fund - $2,000,000

Sixteenth Section Land Sale Fund - $3,883,338

School Indemnity Land Sale Fund - $9,786,697

Incentives Financing Authority - $27,642,423

Public School and College Authority - $11,315,000

L. Includes $179,993,229 transferred to the ETF from the Rainy Day Account

M. Includes one-time transfer of $32,000,000 from PSCA and $439,372,515 transferred to the ETF from the Proration Prevention Account.

DISTRIBUTION OF EDUCATION TRUST FUND APPROPRIATIONS
FISCAL YEARS 2005-2009

	2004-05*	% OF TOTAL**	2005-06*	% OF TOTAL**	2006-07*	% OF TOTAL**	2007-08*	% OF TOTAL**	2008-09***	% OF TOTAL**
K-12	$3,148,377,661	68.34%	$3,513,040,711	65.23%	$4,061,279,668	64.69%	$4,497,415,170	66.84%	$4,373,827,342	68.78%
HIGHER EDUCATION	$1,210,388,499	26.27%	$1,402,993,644	26.05%	$1,713,082,315	27.29%	$1,954,745,139	29.05%	$1,748,937,950	27.50%
OTHER	$248,137,327	5.39%	$469,762,722	8.72%	$503,339,613	8.02%	$276,929,347	4.12%	$236,784,708	3.72%
TOTAL	$4,606,903,487	100.00%	$5,385,797,077	100.00%	$6,277,701,596	100.00%	$6,729,089,656	100.00%	$6,359,550,000	100.00%

* Appropriations as of the end of the fiscal year, prior to any reversions or end of year adjustments.
**Percentages may not add due to rounding.
*** Appropriations as of 10/1/2008.