

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

1 ENGROSSED

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3
4 A BILL
5 TO BE ENTITLED
6 AN ACT
7

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

16 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

19 §40-1-49.

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

26 Should it be determined that the suspension of a tax
27 or fee collection would result in reduced local revenues, the

1 department shall notify the affected localities prior to
2 filing a notice, pursuant to the Administrative Procedures Act,
3 to promulgate an administrative rule to suspend the tax or
4 fee.

5 (b) Notwithstanding subsection (a), the department
6 shall not suspend the collection of a tax or fee in any of the
7 following cases:

8 (1) If such tax or fee is mandated by federal law or
9 regulation.

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

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

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

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

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

1 suspending the collection of the tax or fee shall be repealed
2 by the department.

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

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

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House of Representatives

Read for the first time and re-
ferred to the House of Representa-
tives committee on State Government
..... 14-JAN-14

Read for the second time and placed
on the calendar 1 amendment 15-JAN-14

Read for the third time and passed
as amended..... 16-JAN-14

Yeas 95, Nays 0, Abstains 1

Jeff Woodard
Clerk