SB31

173364-1

By Senator Beasley

RFD: Fiscal Responsibility and Economic Development

First Read: 07-FEB-17

PFD: 01/30/2017
SYNOPSIS: Under existing law, prescription drugs are exempt from sales tax. This bill would provide that prescription drugs would be exempt from business license taxes based on gross receipts.

A BILL TO BE ENTITLED AN ACT

To amend Section 40-23-4.1 of the Code of Alabama 1975, providing that certain drugs are exempt from gross sales tax, to include an exemption from business license taxes based on gross receipts.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 40-23-4.1 of the Code of Alabama 1975, is amended to read as follows:

"§40-23-4.1.

"(a) The term "drugs" shall include any medicine prescribed by physicians when the prescription is filled by a
licensed pharmacist, or sold to the patient by the physician, for human consumption or intake.

"(b) In addition to any and all items exempt from gross sales tax, certain drugs, as defined in subsection (a) of this section, shall be exempt from state gross sales taxes as defined in Section 40-23-2.

"(c) In addition, any prescription drugs exempt from gross sales tax pursuant to subsection (b) shall be exempt from the calculation of gross receipts for any business license tax based on gross receipts as provided for in Article 2, commencing at Section 11-51-90, Chapter 51, Title 11, or otherwise authorized by law."

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