

1 SB275
2 188726-1
3 By Senator Shelnutt
4 RFD: Finance and Taxation Education
5 First Read: 01-FEB-18

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8 SYNOPSIS: Under existing law, the Tax Exemption Reform
9 Act of 2017 required united appeal funds and their
10 supported charities to obtain and maintain a
11 certificate of exemption by meeting specific
12 definitional requirements by July 1, 2017. In
13 addition, united appeal funds and their supported
14 charities are required to comply with information
15 reporting requirements.

16 This bill provides united appeal fund
17 entities and supported charities subject to the
18 requirements and definitions of the Tax Exemption
19 Reform Act of 2017 a one-time grace period through
20 September 30, 2018, to obtain or renew a
21 certificate of exemption from the Department of
22 Revenue.

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

1 To add Section 40-9-12.1, Code of Alabama 1975,
2 relating to united appeal fund organizations and their
3 supported charities; to provide a grace period for compliance
4 with the Tax Exemption Reform Act of 2017 and the
5 informational reporting requirements as required by Section
6 40-9-60.

7 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

8 Section 1. To add Section 40-9-12.1, Code of Alabama
9 1975, as follows:

10 (a) United appeal fund organizations and supported
11 charities that otherwise satisfied the definitions provided
12 under Section 40-9-12(c) as of July 1, 2017, but failed to
13 acquire or maintain their exemption certificates as of July 1,
14 2017, or lost their exemption certificate due to failure to
15 timely file an informational report as required by Section
16 40-9-60 and rules promulgated thereunder, are allowed a grace
17 period through September 30, 2018, within which to obtain the
18 certificate of exemption required under Section 40-9-12(c) (2)
19 d. and to come into compliance with the informational
20 reporting requirements of Section 40-9-60.

21 (b) In order for a united appeal fund to be eligible
22 for the grace period provided in subsection (a), the united
23 appeal fund, as of July 1, 2017, must have met the following
24 requirements in their entirety:

25 (1) Satisfied the definitional requirements imposed
26 by Section 40-9-12(c) (2).

1 (2) Previously held or been eligible to hold a sales
2 and use tax Certificate of Exemption.

3 (3) Provided more than de minimis funding to
4 supported charities.

5 (c) In order for a supported charity to be eligible
6 for the grace period provided in subsection (a), the supported
7 charity, as of July 1, 2017, must have met the following
8 requirements in their entirety:

9 (1) Satisfied the definitional requirement imposed
10 by Section 40-9-12(c) (1).

11 (2) Received more than de minimis funding from a
12 qualified united appeal fund.

13 (d) No refunds shall be issued to such united appeal
14 fund entity or supported charity, as defined in subsection (b)
15 and (c) and those as defined in Section 40-9-12(c), for any
16 purchases or transactions during a time period in which a
17 certificate of exemption was not in effect regardless of
18 whether such united appeal fund or supported charity falls
19 under the provisions of this act.

20 (e) The Department of Revenue may make available to
21 the public a record of statutorily exempt entities that have
22 been issued a certificate of exemption. Such listing shall be
23 limited to the entity name, the date of issuance, and the
24 current status of the certificate as either valid or invalid,
25 including the date such certificate of exemption became
26 invalid.

1 (f) The Department of Revenue may adopt, promulgate,
2 and enforce reasonable rules and regulations for the
3 enforcement and administration of this section.

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