SYNOPSIS: Under existing law, the state or a county or municipal governing body may enter into a contract or agreement with a private auditing or collecting firm to audit the books and records of a taxpayer and collect any taxes due.

This bill would prohibit a private auditing or collecting firm from recovering certain costs from a taxpayer.

A BILL
TO BE ENTITLED
AN ACT

Relating to taxation; to add Section 40-29-20.1, to the Code of Alabama 1975, to prohibit private auditing or collecting firms from recovering certain expenses from taxpayers.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 40-29-20.1, is added to the Code of Alabama 1975, to read as follows:
§40-29-20.1.  

(a) Notwithstanding Section 40-29-20, Code of Alabama 1975, or any other law to the contrary, a private auditing or collecting firm may not recover any of the following costs from a taxpayer:

(1) Professional service fees to include, but not be limited to, attorney fees and charges for accountant services.

(2) Travel costs.

(3) Salary or personnel-related expenses of the firm.

(4) Auditing or collecting related costs.

(b) For purposes of this section, a private auditing or collecting firm means any business as defined in Section 40-2A-3(17).

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