

1 SB31  
2 78729-1  
3 By Senator Denton  
4 RFD: Finance and Taxation General Fund  
5 First Read: 10-JAN-06  
6 PFD: 12/02/2005

SYNOPSIS: Under existing law, the Alcoholic Beverage Control Board collects an additional two percent state sales tax on all sales of alcoholic beverages made by the board. The Department of Revenue distributes the proceeds of the additional tax to the counties and municipalities in which the sales were made.

This bill would provide that the additional state sales tax amount would be one-half of one percent in counties that do not have a local sales tax or that have a sales tax rate that is lower than one-half of one percent, and one and one-half percent in municipalities that do not have a local sales tax or that have a sales tax that is lower than one and one-half percent. Otherwise, the Alcoholic Beverage Control Board would collect the applicable local sales taxes in the jurisdictions in which the Alcoholic Beverage Control Board retail stores are located.

1 A BILL  
2 TO BE ENTITLED  
3 AN ACT  
4

5 To amend Sections 28-3-280 through 28-3-284, Code of  
6 Alabama 1975, relating to the levy and collection of taxes by  
7 the Alcoholic Beverage Control Board, to provide that the  
8 additional state sales tax on sales made in Alcoholic Beverage  
9 Control Board retail stores would be one-half of one percent  
10 in counties that do not have a local sales tax or that have a  
11 sales tax rate that is lower than one-half of one percent, and  
12 one and one-half of one percent in municipalities that do not  
13 have a local sales tax or that have a sales tax that is lower  
14 than one and one-half of one percent, otherwise, the Alcoholic  
15 Beverage Control Board would collect the applicable local  
16 sales taxes in the jurisdictions in which the Alcoholic  
17 Beverage Control Board retail stores are located; and to  
18 repeal Section 28-3-286, Code of Alabama 1975, relating to the  
19 effective date of the article.

20 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

21 Section 1. Sections 28-3-280, 28-3-281, 28-3-282,  
22 28-3-283, and 28-3-284, Code of Alabama 1975, are amended to  
23 read as follows:

24 "§28-3-280.

25 "(a) In addition to all other taxes levied and  
26 collected on the sale of any alcoholic beverage, there is  
27 hereby levied an additional state sales tax ~~in the amount of~~

1 ~~two percent of~~ based on the retail price, excluding taxes, on  
2 the sales of alcoholic beverages sold at retail by Alcoholic  
3 Beverage Control Board stores as follows:

4 "(1) One-half of one percent in counties that either  
5 do not levy a sales tax on the effective date of the act  
6 adding this subdivision or have a sales tax rate which is  
7 lower than one-half of one percent on such date or decrease  
8 their sales tax rate below one-half of one percent or repeal  
9 their sales tax entirely after such date.

10 "(2) One and one-half percent in cities or  
11 municipalities that either do not levy a sales tax on the  
12 effective date of the act adding this subdivision or have a  
13 sales tax rate lower than one and one-half percent on such  
14 date or decrease their sales tax rate below one and one-half  
15 percent or repeal their sales tax entirely after such date.

16 "(b) In all other counties, cities, and  
17 municipalities in which the Alabama Alcoholic Beverage Control  
18 Board retail stores are located, the applicable local sales  
19 taxes levied by local governing bodies shall be collected as  
20 provided by this article.

21 "(c) Such tax shall be in addition to any and all  
22 other taxes collected on sales. Notwithstanding the foregoing,  
23 at no time shall both the additional state sales tax provided  
24 in this section and the applicable local sales tax be  
25 collected on the same sale.

26 "§28-3-281.

1           "(a) ~~The~~ Where applicable, the Alcoholic Beverage  
2 Control Board shall collect the revenues generated by the  
3 additional state sales tax levied by this article in the same  
4 manner as other taxes and fees collected by it. The additional  
5 state sales taxes as collected by the Alcoholic Beverage  
6 Control Board on retail sales shall be paid to the Department  
7 of Revenue. ~~The Department of Revenue shall redistribute the~~  
8 ~~proceeds therefrom in the following manner unless distribution~~  
9 ~~is otherwise provided by local act: (1) The department shall~~  
10 may withhold any reasonable charges incurred by the department  
11 in handling such taxes which charges shall be prorated on the  
12 basis of the sum collected; provided, however, such charges  
13 shall not exceed a sum equal to five percent of the amount  
14 collected; ~~(2) An amount equal to 25 percent of the tax~~  
15 ~~proceeds shall be distributed to the respective counties in~~  
16 ~~which the taxes are collected, less costs as provided in~~  
17 ~~subdivision (1) above; and (3) An amount equal to 75 percent~~  
18 ~~of the tax proceeds shall be distributed to the respective~~  
19 ~~municipalities in which the taxes are collected, less costs as~~  
20 ~~provided in subdivision (1) above. The remaining proceeds~~  
21 shall then be distributed to the respective local governing  
22 body in which jurisdiction the retail store is located and the  
23 additional state sales tax is collected. ~~(b)~~ The Department of  
24 Revenue shall prepare and distribute such reports, forms and  
25 other information as may be necessary for the collection and  
26 distribution of the ~~said~~ additional state sales taxes.

1                   "(b) Where applicable, the Alcoholic Beverage  
2                   Control Board shall collect the revenues generated by the  
3                   applicable local sales taxes levied by local governing bodies  
4                   in which jurisdictions Alcoholic Beverage Control Board retail  
5                   stores are located. The local sales taxes as collected by the  
6                   Alcoholic Beverage Control Board on retail sales, subject to  
7                   any discounts or benefits allowed retailers, shall be paid to  
8                   the appropriate county, city, or municipality or other  
9                   authorized representative. The county, city, or municipality  
10                  shall redistribute the proceeds from the tax in the same  
11                  manner as provided by law, ordinance, or resolution for other  
12                  sales tax receipts in the county, city, or municipality.  
13                  Notwithstanding the foregoing, in any county in which the  
14                  applicable sales tax is distributed for purposes other than  
15                  general county purposes, there shall first be paid into the  
16                  county general fund from the proceeds of the applicable county  
17                  sales tax collected at the retail stores an amount of the  
18                  proceeds equal to the amount received from the additional  
19                  state sales tax levied prior to the effective date of the act  
20                  adding this subsection for the 2006 fiscal year plus an amount  
21                  of growth calculated by the growth in total county sales tax  
22                  receipts for the preceding fiscal year, or the entire amount  
23                  collected, whichever is less. The remaining proceeds shall be  
24                  distributed as provided by law, ordinance, or resolution for  
25                  other county sales tax receipts. The county shall calculate  
26                  the appropriate amount of growth annually prior to the  
27                  beginning of the county fiscal year. The county, city, or

1 municipality shall prepare and distribute such reports, forms,  
2 and other information as may be necessary for the collection  
3 and distribution of such local sales taxes.

4 "§28-3-282.

5 "The additional state sales tax proceeds and local  
6 sales tax proceeds distributed to ~~counties~~ county general  
7 funds under the provisions of this article or as provided by  
8 appropriate local law, ordinance, or resolution shall be used  
9 by those counties exclusively for law enforcement purposes  
10 unless otherwise provided by local act.

11 "§28-3-283.

12 "The Commissioner of the Department of Revenue ~~is~~  
13 and the Alcoholic Beverage Control Board are authorized to  
14 promulgate all reasonable rules and regulations necessary to  
15 implement the provisions of this article relating to the  
16 additional state sales tax levied on retail sales at Alcoholic  
17 Beverage Control Board retail stores. The appropriate county,  
18 city, and municipality and the Alcoholic Beverage Control  
19 Board are authorized to promulgate all reasonable rules and  
20 regulations necessary to implement the provisions of this  
21 article relating to the local sales taxes collected on retail  
22 sales at Alcoholic Beverage Control Board retail stores.

23 "§28-3-284.

24 "Any county, city, or municipality receiving any  
25 ~~additional~~ taxes pursuant to the provisions of this article  
26 shall be prohibited from levying any ~~additional~~ separate taxes  
27 or fees on the sale of alcoholic beverages which would be

1 collected or paid by the Alabama Alcoholic Beverage Control  
2 Board or its retail stores."

3 Section 2. Section 28-3-286, Code of Alabama 1975,  
4 is repealed.

5 Section 3. This act shall become effective January  
6 1, 2007, following its passage and approval by the Governor,  
7 or its otherwise becoming law.