

**CERTIFICATION OF ADMINISTRATIVE RULES
FILED WITH THE LEGISLATIVE SERVICES AGENCY
OTHNI LATHRAM, DIRECTOR**

(Pursuant to Code of Alabama 1975, §41-22-6, as amended).

I certify that the attached is/are correct copy/copies of rule/s as promulgated and adopted on Thursday, February 13, 2025, and filed with the agency secretary on Thursday, February 13, 2025.

AGENCY NAME: Alabama Department of Revenue Sales, Use & Business Tax Division

INTENDED ACTION: Amend

RULE NO.: 810-6-5-.04.01
(If amended rule, give specific paragraph, subparagraphs, etc., being amended)

RULE TITLE: Reciprocity For Municipal And County Sales, Gross Receipts, Use, And Rental Taxes

ACTION TAKEN: State whether the rule was adopted with or without changes from the proposal due to written or oral comments:

Adopted without changes

NOTICE OF INTENDED ACTION PUBLISHED IN VOLUME XLIII, ISSUE NO. 3, AAM,
DATED TUESDAY, DECEMBER 31, 2024.

STATUTORY RULEMAKING AUTHORITY: §§ 40-2A-3, 40-2A-7(a)(5), 40-23-1, 40-23-2, 40-23-2.1, 40-23-31, and 40-23-83, Code of Ala. 1975.

REC'D & FILED
(Date Filed)
(For IRS Use Only)
FEB 18, 2025

LEGISLATIVE SVC AGENCY

Vernon Barnett

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Certifying Officer or his or her
Deputy

(NOTE: In accordance with §41-22-6(b), as amended, a proposed rule is required to be certified within 90 days after completion of the notice.)

**Reciprocity For Municipal And County Sales,
Gross Receipts, Use, And Rental Taxes.**

(1) The definition of the term "gross receipts tax in the nature of a sales tax" as used in this rule shall be the same as the definition contained in Section 40-2A-3(8), Code of Ala. 1975.

(2) If a sales tax, gross receipts tax in the nature of a sales tax, use tax, or rental tax levied by or on behalf of an Alabama municipality is paid under a requirement of law, the property which is the subject of the tax, when imported for use, storage, or consumption into another Alabama municipality, is not subject to the sales tax, use tax, or rental tax, regardless of rate, which is required by the second municipality under any municipal ordinance or any act of the Legislature. (Section 40-23-2.1(a), Code of Ala. 1975)

(3) If a sales tax, gross receipts tax in the nature of a sales tax, use tax, or rental tax levied by or on behalf of an Alabama county is paid under a requirement of law, the property which is the subject of the tax, when imported for use, storage, or consumption into another Alabama county, is not subject to the sales tax, use tax, or rental tax, regardless of rate, which is required by the second county under any county ordinance, resolution, or any act of the Legislature. (Section 40-23-2.1(b))

(4) Reciprocity for local sales tax, gross receipts tax in the nature of a sales tax, use tax, and rental tax applies on a "city to city" and "county to county" basis. Payment of a municipal sales, gross receipts, use or rental tax will not preclude payment of a county sales, gross receipts, use, or rental tax nor will payment of a county sales, gross receipts, use, or rental tax preclude payment of a municipal sales, gross receipts, use, or rental tax. (Section 40-23-2-1(c))

(5) The reciprocity outlined in (2), (3), and (4) above applies to all municipalities and counties of the State of Alabama.

(6) When a county or municipal sales tax, gross receipts tax in the nature of a sales tax, use tax, or rental tax is paid to a county or municipality in good faith based on a reasonable interpretation of the ordinance, resolution, or act levying the tax but not under a requirement of law; any refund of the erroneously paid taxes to the taxpayer by the improper locality and any collection of the taxes due from the taxpayer by the proper locality shall be made in accordance with the provisions of Section 40-23-2.1(c) and, unless otherwise provided in Section 40-23-2.1(c), the provisions of Chapter 2A of Title 40. Petitions for refund of any portion of county or municipal tax

erroneously paid to an improper county or municipality which is in excess of the correct amount of tax due the proper county or municipality shall be filed in accordance with the provisions contained in Section 40-2A-7(c). (Section 40-23-2.1(c))

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Statutory Authority: §§ 40-2A-3, 40-2A-7(a)(5), 40-23-1, 40-23-2, 40-23-2.1, 40-23-31, 40-23-83, Code of Ala. 1975.

History: Filed January 19, 1988. **Amended:** Filed September 15, 1998; effective October 20, 1998 **Amended:** Published February 28, 2025; effective April 14, 2025.