

CITY OF HUNTSVILLE, ALABAMA

PRIVILEGE LICENSE FEE AND TAX RULE

**2004-1. Sale of cigarettes by a wholesaler dealer in the City of Huntsville to a retail dealer located outside the City of Huntsville.**

(1) The following words, terms and phrases, when used in this rule, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

*Code* means The Code of Ordinances, City of Huntsville, Alabama, as adopted and approved, the 24<sup>th</sup> day of April, 2003, and as subsequently amended.

*Cigarette* means a roll of finely cut tobacco or any substitute therefor, which is enclosed in paper and prepared for smoking by individuals.

*Dealer* means any wholesale or retail dealer as defined in this section.

*Retail dealer* means any person, other than a wholesale dealer, who sells or delivers tobacco products.

*Retail sale* means any sale by retail dealer of tangible personal property to users or consumers for personal use and not for resale.

*Wholesale dealer* means a person engaged in wholesale sales.

*Wholesale sale* means a sale of tangible personal property by wholesalers to licensed retail merchants, jobbers, dealers or other wholesalers for resale, and does not include a sale by wholesalers to users or consumers, not for resale; and as further defined under state law.

(2) Ordinance No. 04-68, adopted on January 22, 2004, amended Code Sec. 15-304, which requires a dealer to affix a stamp obtained from the city-clerk treasurer to each package of cigarettes to be sold, stored, or delivered within the corporate limits of Huntsville, effective March 1, 2004.

(3) The requirements of Code Sec. 15-304 do not apply to the sale or delivery of cigarettes by a wholesale dealer in the following cases:

(a) to a retail dealer that is located outside the corporate limits of Huntsville and will make a retail sale of the cigarettes outside the corporate limits of Huntsville;

(b) to a wholesale dealer to the extent the wholesale dealer sells or delivers to retail dealers to which section (3)(a) applies.

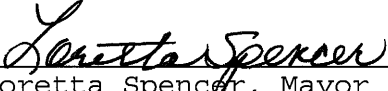
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(4) A wholesale dealer applying this rule is required to establish reasonable business rules and practices that ascertain a retail dealer is located outside the corporate limits of Huntsville.

(5) If the Finance Department determines that a wholesale dealer does not comply with the terms of this rule, the Finance Department will notify the wholesale dealer in writing that this rule is no longer applicable to the wholesale dealer, and that the wholesale dealer must affix a stamp on all cigarettes as described in Code Sec. 15-304.

Dated this 11th day of February, 2004

  
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Loretta Spencer, Mayor

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**2004-2. Filing and Payment of Privilege License Fees and Taxes by Electronic Means.**

**Section 1. Signature Requirements of Tax Returns and Other Documents of All Types Filed by Electronic Methods.**

For the city to identify a taxpayer who files a tax return or submits other documents by electronic means, the identity of the taxpayer must be established by an electronic identifier (signature). The electronic identifier must be sufficiently unique to provide the city with reasonable assurances of the correct identity of the taxpayer and must be compatible with the electronic filing systems in use by the city. The city shall determine which electronic procedures or methods are to be used in the electronic signature validation process.

**Section 2. Scope of the Rules.**

This rule sets forth the rules to be used by the city in conjunction with a city-sponsored Internet-based system for the electronic filing and payment of the taxes enumerated in Section 5. The city is authorized to accept tax returns filed in electronic commerce pursuant to Chapter 24, Article I, Section 24-1 of the Code of Ordinances, City of Huntsville, Alabama, as adopted and approved on the 24th day of April, 2003. The electronic payment of taxes filed under this program shall be made in accordance with the rules of the city governing electronic funds transfer as specified herein.

**Section 3. Definitions.**

(1) The term "Code" as used in this rule shall mean the Code of Ordinances, City of Huntsville, Alabama, as adopted and approved on the 24th day of April, 2003.

(2) The term "program" as used in this rule shall mean the city-sponsored Internet-based system for the electronic filing and payment of the taxes enumerated in Section 5.

(3) The term "ADOR" as used in this rule shall mean the Alabama Department of Revenue.

(4) The term "ADOR MOU" as used in this rule shall mean the Memorandum of Understanding between the Alabama Department of Revenue and the city dated January 22, 2004.

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**Section 4. Internet-Based Electronic Filing and Payment of Taxes to be Provided Through the Alabama Department of Revenue.**

The city shall participate in an Internet-based electronic filing and payment program for the taxes enumerated in Section 5. Internet-based electronic filing and payment of taxes will be provided under this program pursuant to the ADOR MOU. ADOR is authorized to establish an Internet-based electronic filing and payment program pursuant to Chapter 30 of Title 40, Code of Alabama 1975, and rules promulgated by ADOR. Electronic return originators accepted into the ADOR program must comply with the requirements of ADOR as outlined in ADOR rules and in the publications referenced in the ADOR rules. Electronic return originators are limited agents of the city and ADOR only for the purpose of performing the duties and responsibilities required of electronic return originators as contemplated in Chapter 30 of Title 40, Code of Alabama 1975, and the rules promulgated by ADOR pertaining to the Internet-based electronic filing and payment program.

**Section 5. Tax Types Covered and Requirements for Tax Returns.**

(1) ADOR, pursuant to the ADOR MOU shall provide the taxpayer with the capability of Internet-based electronic filing and payment of the taxes listed below from the taxpayer's personal computer. A complete tax return filed via the Internet will consist of data transmitted electronically and shall contain the same information as the corresponding tax return filed entirely on paper.

(2) The tax return information to be provided to the city through Internet-based filing with respect to each tax is the same information outlined in the ADOR MOU.

(3) The city shall permit the following taxes to be filed and paid under this program:

- (a) Sales tax
- (b) Consumers use tax
- (c) Sellers use tax
- (d) Rental tax
- (e) Lodgings tax

**Section 6. Electronic Payment Requirements and Determining Timely Payment.**

(1) The city shall ensure that submissions of electronic payments for the taxes enumerated in Section 5 conform to the ACH record layout specified by the city pursuant to the ADOR MOU as well as comply with all other requirements of the city.

(2) Tax payments initiated via the Internet for the taxes enumerated in Section 5 shall be made in accordance with the rules of

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the city regarding electronic funds transfers as specified herein. Timely payment of taxes via the Internet will be determined pursuant to city rules governing electronic funds transfers as specified herein.

**Section 7. Determining Timely Filing of Electronic Returns.**

The due date for filing electronic returns for the taxes enumerated in Section 5 shall be the same due date applicable to the electronic payment of the taxes reported on the return. The date and time the taxpayer files the tax return with ADOR shall be the date and time used to determine timely filing of an electronic return.

**Section 8. Reserved.**

**Section 9. Requirements for Filing Declaration.**

The city shall require taxpayers to make the filing declarations enumerated in ADOR rule 810-1-6-.09, to ADOR electronic return originators as defined in ADOR rule 810, chapter 1.

**Section 10. Requirements for Submitting Tax Returns.**

The city shall specify the requirements of returns to be submitted under this program in the ADOR MOU, and shall ensure that electronic submissions of taxpayers' returns conform to all data validations, edits, and cross-checks specified by the city.

**Section 11. Requirement for Testing Prior to City Approval.**

ADOR is required to obtain approval of its Internet-based tax return filing and payment system from the city before offering its services to taxpayers by submitting sample returns for the taxes enumerated in Section 5 to the city in accordance with guidelines provided by the city. The city will not accept tax returns received by the city through an Internet-based system which has not completed the testing required by the city and received the city's approval.

**Section 12. Authorized City Officials.**

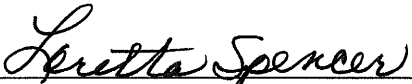
The city-clerk treasurer or city finance director are hereby authorized to implement and enforce this rule, as applicable.

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**Section 13. Electronic Funds Transfer.**

The purposes of this rule, the city hereby adopts ADOR rules for electronic funds transfer, as applicable, and to the extent they apply to payments made under this program.

Dated this 1st day of April, 2004

  
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Loretta Spencer, Mayor

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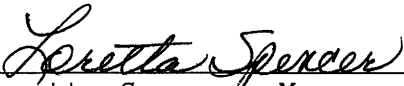
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**2004-3. Sale of Automotive Vehicles outside the City of Huntsville by dealers located inside the city.**

(1) The activities of automotive vehicle dealers licensed by the City of Huntsville are already subject to Alabama Department of Revenue rule 810-6-3-.03.02. entitled *Automotive Vehicles, Certificate of Exemption - Out-of-State/City/County Delivery Form* ("Rule").

(2) In order to receive exemption from City of Huntsville sales tax as prescribed in the Rule, dealers must comply with the Rule, and must provide the city a copy of the form required by the Rule, for each sale to which the exemption applies, when filing the applicable sales tax return.

Dated this 14th day of September, 2006.

  
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Loretta Spencer, Mayor