

**Transmittal Sheet For
Notice Of Intended Action**

Control: 810Department or Agency: RevenueRule Nos: 810-4-1-.14Rule Title: Exemption of \$40,000 in Market Value for Tangible Personal Property

X New; Amended; Repealed; Adopt by Reference

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety? No

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare? Yes

Is there another, less restrictive method of regulation available that could adequately protect the public? No

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved and, if so, to what degree? No

Is the increase in cost, if any, more harmful to the public than the harm that result from the absence of the proposed rule? N/A

Are all the facets of the rulemaking process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? Yes

Does the proposed rule relate to or effect any matter of litigation which the agency is a party to concerning the subject matter of the proposed rule? No

Does the proposed rule have any economic impact? No

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975 and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Services Agency.

Signature of certifying officer
Date 03/20/2023



REC'D & FILED

MAR 20 2023

LEGISLATIVE SVC AGENCY

**ALABAMA DEPARTMENT OF REVENUE
Property Tax**

NOTICE OF INTENDED ACTION

RULE NO. & TITLE

810-4-1-14

Exemption of \$40,000 in Market Value for Tangible Personal Property

INTENDED ACTION

New

**SUBSTANCE OF
PROPOSED ACTION:**

In accordance with Act 2022-53 and Executive Order No. 735, this rule is being promulgated to provide procedures for the \$40,000 in market value exemption of tangible personal property owned by a business and reported in accordance with Article 1 of Chapter 7, Title 40 from the state-levied ad valorem tax and to provide guidance to counties and municipalities in order to provide a mirror exemption if they elect to do so.

TIME, PLACE, MANNER OF PRESENTING VIEWS: A public hearing will be conducted at 1:30 P.M. on Tuesday, May 09, 2023 via web-conference. To participate in the upcoming web-conference public hearing please contact the Tax Policy and Governmental Affairs Division at Taxpolicy@revenue.alabama.gov or 334-242-1380 to obtain the appropriate sign-in information for a specific public hearing date. Copies of the rule(s) can be obtained at <http://www.revenue.alabama.gov/tax-policy/>.

All interested parties may present their views in writing to the **Secretary of the Alabama Department of Revenue, Room 4131, Gordon Persons Building, 50 N Ripley Street, Montgomery, Alabama 36132** at any time following publication of the notice up until the conclusion of the hearing. Interested parties may also may present their views during the web-conference.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:

Tuesday, May 09, 2023

CONTACT PERSON AT AGENCY:

Meagan Barrett

Alabama Department of Revenue
4131 Gordon Persons Building
Montgomery, Alabama 36132
(334) 242-1380



Cameran L. Clark, Secretary
Alabama Department of Revenue

810-4-1-14 Exemption of \$40,000 in Market Value for Tangible Personal Property (New Rule)

Pursuant to §40-9-1, Code of Ala. 1975, the tangible personal property owned by a business and reported in accordance with Article 1 of Chapter 7, Title 40, to the extent of forty thousand dollars (\$40,000) in market value, is exempt from the state-levied ad valorem tax.

(1) The exemption provided may be applied to an account in which owners of tangible business personal property are required to file form ADV-40 with the county tax assessing official, in accordance with administrative rule 810-4-1-12.

(2) Adoption and Discontinuance Requirements for Counties and Municipalities.

a. A county or municipality may likewise choose to exempt to the extent of \$40,000 in market value of its tax levy on tangible business personal property by resolution or ordinance. The ordinance or resolution must be adopted at least 90 days prior to October 1, for taxes that become due and payable on October 1 of the immediately following year.

b. A county or municipality that previously authorized the exemption to the extent of \$40,000 in market value of its levy on tangible personal property may choose to discontinue the exemption in a subsequent year by adopting a resolution or ordinance at least 90 days prior to October 1, for taxes that become due and payable on October 1 of the immediately following year.

(3) Notification Requirements for Counties and Municipalities.

a. **Copy to County Tax Assessing Official.** A copy of the ordinance or resolution authorizing or discontinuing the exemption must be provided to the county tax assessing officials in which the taxing jurisdiction extends by August 1 of the same year. If a municipality's taxing jurisdiction extends into more than one county, each county tax assessing official must be provided with a copy of the ordinance or resolution.

b. **Copy to the Department.** A copy of the ordinance or resolution authorizing or discontinuing the exemption must be provided to the department no later than October 1 of the same year. The department shall maintain a list of the active resolutions and ordinances.

Author: Evelyn Pope

Authority: § Article 1 of Chapter 7, Title 40, 40-2A-7(a)(5), and §40-9-1, Code of Ala. 1975.

History: New Rule: Filed March 20, 2023