

1 HB321
2 74804-5
3 By Representative Spicer
4 RFD: Education Finance and Appropriations
5 First Read: 12-JAN-06

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ENROLLED, An Act,

To add a new Section 41-4-116 to the Code of Alabama 1975, to provide that vendors or contractors and each affiliate selling or leasing tangible personal property to a state agency shall be subject to state taxation on its sales or leases into the state.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 41-4-116 is added to the Code of Alabama 1975, to read as follows:

§41-4-116.

(a) For the purpose of this division, the following terms shall have the respective meanings ascribed by this section:

(1) AFFILIATE. A related party as defined in Section 40-23-190(b) as that provision exists on January 1, 2004.

(2) STATE DEPARTMENT or AGENCY. Every state office, department, division, bureau, board, or commission of the State of Alabama.

(b) A state department or agency may not contract for the purchase or lease of tangible personal property from a vendor, contractor, or an affiliate of a vendor or contractor, unless that vendor, contractor, and all of its affiliates that make sales for delivery into Alabama or leases for use in Alabama are properly registered, collecting, and remitting

1 Alabama, state, and local sales, use, and lease tax, as
2 provided for by Chapter 12, Article 4, and Chapter 23,
3 Articles 1 and 2 or by any local act or ordinance.

4 (c) Each vendor, contractor, or affiliate of a
5 vendor or contractor that is offered a contract to do business
6 with a state department or state agency shall be required to
7 certify that the vendor or affiliate is appropriately
8 registered to collect and remit sales, use, and lease tax as
9 required by this section and submit to that state department
10 or agency certification required by the Alabama Department of
11 Revenue.

12 (d) Every bid submitted and contract executed by the
13 state shall contain a certification by the bidder or
14 contractor that the bidder or contractor is not barred from
15 bidding for or entering into a contract under this section and
16 that the bidder or contractor acknowledges that the
17 contracting state agency may declare the contract void if the
18 certification completed is false.

19 (e) Each vendor or contractor that sells or leases
20 tangible personal property to a state department or agency,
21 and each affiliate of that vendor or contractor that makes
22 sales for delivery into Alabama, shall be required to collect
23 and remit the Alabama sales, use, or lease tax on all its
24 sales and leases into the state.

1 Section 2. The provisions of this act are severable.
2 If any part of this act is declared invalid or
3 unconstitutional, that declaration shall not affect the part
4 which remains.

5 Section 3. All laws or parts of laws which conflict
6 with this act are repealed.

7 Section 4. This act shall become effective ~~on the~~
8 ~~first day of the second month~~ upon the enactment of the act
9 that HB228 of the 2006 Regular Session becomes, and following
10 its passage and approval by the Governor, or its otherwise
11 becoming law.

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Speaker of the House of Representatives

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in
and was passed by the House 23-FEB-06, as amended.

Greg Pappas
Clerk

Senate

17-APR-06

Passed
