

GENERAL INFORMATION FOR PREPARING LEASE TAX RETURNS

DUE DATE OF TAX. The tax imposed by Ordinance No. 97-187, the Lease Tax Code of the City of Birmingham, shall be due and payable to the City monthly on or before the **twentieth (20th)** day of the month next succeeding each monthly period*. The date of the United States postmark stamped on the cover in which a return or payment is mailed shall be deemed to be the date of delivery, or the date of payment, whether mailed to the Finance Department or to the department's designated depository.

UNTIMELY FILING. Any return or payment not received in accordance with the provisions of Section 5(c) of Ordinance No. 97-187 shall be deemed untimely filed and shall be assessed applicable penalties and interest, as prescribed by Section 13 of Ordinance No. 97-187. To avoid penalties, returns should be filed by the due date, and any tax amounts due should be timely paid. Please note that the penalties outlined in Section 13 include, but are not limited to, a penalty of 10% of the amount of tax due or \$50, whichever is greater, which may be assessed for failing to timely file returns.

REQUEST FOR RULING ON DETERMINATION OF TAXATION. Any taxpayer may request a ruling on the determination of whether amounts of gross proceeds from leases/rentals of tangible personal property in the City by a taxpayer are subject to the tax, or are not to be used as a measure of the taxes due and payable as levied by the Lease Tax Code. Such requests shall be made in writing to the Finance Department, and shall contain all pertinent facts and documentation of any written determinations or revenue rulings issued by the State of Alabama Department of Revenue relating to the item(s) in question.

MISCELLANEOUS. Any person who sells out or quits business is required to file a final return within thirty (30) days after the date of selling out or quitting business. The new owner or successor shall be required to hold out sufficient of the purchase money to cover the amount of any lease tax that may be due by the former owner. If the new owner or successor shall fail to withhold purchase money as required by Section 16 of Ordinance 97-187, and the taxes remain due and unpaid after said thirty (30) day period, he shall be personally liable for the payment of the amount of taxes required to be remitted by the former owner, and any interest and penalties accrued and unpaid by any former owner. If in such case the department deems it necessary in order to collect the taxes due, it may make a jeopardy assessment as provided in Title 40, Chapter 29 of the Code of Alabama 1975.

AUTOMOTIVE TAX RATE. A privilege or license tax is imposed on every person engaging or continuing within this City in the business of leasing or renting any automotive vehicle or truck trailer, semitrailer or house trailer, and including all gross proceeds derived from leasing or renting or deductions for sub-leasing of motor vehicles, manufactured homes (house trailers), motorcycles, lift trucks, cranes, airplanes, motor boats (with inboard, or permanently attached outboard motor), at the rate of **three-fourths of one percent (3/4%)** of the gross proceeds derived by the lessor from the lease or rental of such automotive vehicle or truck trailer, semitrailer or house trailer. All leases/rentals of such items shall be entered under Column A on the appropriate line. All deductions of such items shall be entered under Column B and detailed in the "STANDARD DEDUCTION SUMMARY TABLE" on the reverse side of the return form.

GENERAL TAX RATE. A privilege or license tax is imposed on every person engaging or continuing within this City in the business of leasing or renting of all other tangible personal property not enumerated above at the rate of **three percent (3%)** of the gross proceeds derived by the lessor from the lease or rental of such property. All leases/rentals of such items shall be entered under Column A on the appropriate line. All deductions of such items shall be entered under Column B and detailed in the "STANDARD DEDUCTION SUMMARY TABLE" on the reverse side of the return form.

MAKE CHECKS PAYABLE TO: City of Birmingham

**MAIL TO: CITY OF BIRMINGHAM
REVENUE DIVISION
P.O. BOX 830638
BIRMINGHAM, ALABAMA 35283-0638**

- *Note:**
- (1) If the total amount of taxable leases/rentals for which a person is liable does not exceed \$5,000 per month during the preceding calendar year, a quarterly return may be filed on or before the 20th day of the month next succeeding the end of the quarter for which the tax is due. This election must be made in writing and filed with the department no later than February 20th of each year. If such election is not timely made, returns shall be due monthly.
 - (2) If the total amount of taxable leases/rentals for which a person is liable does not exceed \$250 during the preceding calendar year, the taxpayer may elect to file a yearly return. In order to file yearly, the election shall be made in writing and shall be filed with the department. Such yearly returns shall be filed no later than January 20th of each year. If such election is not timely made, and in accordance with the provisions of Ordinance No. 97-187, returns shall be due monthly.

