

ARAALABAMA RETAIL
ASSOCIATION**CAPITOL RETAIL REPORT**

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March 23, 2012

Single Remittance Point for Sales and Use Taxes Could Be in Place by Next Fall in Alabama

Legislation Introduced Thursday Has Backing of Legislative Leadership

By fall of next year, Alabama retailers could go to one place to file sales and use taxes.

If the Alabama Legislature approves [HB 597](#) by Rep. Jack Williams, R-Birmingham, the state will have an electronic single point of filing program in place by Sept. 30, 2013, for retailers to file their city, county and state sales and use taxes. Sen. Slade Blackwell, R-Birmingham, is expected to introduce a Senate companion. Williams introduced the bill Thursday, the midpoint for the 2012 regular session.

Use of the system, to be known as the Optional Network Election for Single Point Online Transactions, or ONE SPOT, will not be mandatory and will be offered at no cost to taxpayers or the local taxing jurisdictions. The Alabama Department of Revenue is to develop the rules necessary to implement the system.

This legislation was the top recommendation of the Initiative to Streamline Government's tax and regulatory subcommittee, chaired by Blackwell. The streamlining initiative was created by Senate President Pro Tempore Del Marsh, R-Anniston. The legislation also is part of the Alabama Republican Party's 2012 agenda and has the full support of House Speaker Mike Hubbard. **ARA's 2012 Legislative Agenda also calls for streamlining the administration and remittance of sales and use taxes, including creating a single remittance point.**

The legislation is the first step toward the single sales and use tax administrator recommended by the Alabama Streamlined Sales and Use Tax Commission and is among the steps that would be necessary under legislation pending in Congress to require all retailers to collect sales and use taxes.

CRR EXTRAS

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TOP ISSUES

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Previous Issues

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As this legislation was introduced, Alabama Retail Association representatives were returning from the [Alliance for Main Street Fairness](#) Fly-In in Washington, D.C.: ARA President Rick Brown, ARA Executive Committee Designee George Wilder (right in photo), owner and operator of [The Locker Room](#) in Montgomery and Auburn and TLR Outdoors in Montgomery; Doug Markham (center), executive vice president and chief administrative officer for Birmingham-based [Books-A-Million Inc.](#); and Bob Robicheaux (left), Ph.D., chairman of the Marketing, Industrial Distribution and Economics Department at the University of Alabama at Birmingham School of Business and author of "[Estimates of Alabama Losses Due to E-Commerce](#)."



They spoke with several members of the Alabama congressional delegation or their staff, including Sens. Jeff Sessions and Richard Shelby and Reps. Mo Brooks, Martha Roby Mike Rogers, to raise awareness of the need for federal e-fairness legislation. They also heard from U.S. Sen. Lamar Alexander, R-Tenn., (Marketplace Fairness Act, [S. 1832](#)) and U.S. Rep. Steve Womack (Marketplace Equity Act, [H.R. 3179](#)), co-sponsors of two of the e-fairness bills pending in Congress. More than 60 small-business owners from 15 different states participated in the fly-in.

Urge [Alabama's state lawmakers](#) to support [HB 597](#) and its [congressional delegation](#) to support [S. 1832](#) and [H.R. 3179](#).

You may encounter your local lawmakers in their districts next week as the Alabama Legislature will be in spring recess.

ARA AGENDA IN ACTION

House Judiciary Approves Taxpayers' Bill of Rights II

The House Judiciary Committee on Wednesday unanimously approved a substitute version of [HB 105](#) by Rep. Paul DeMarco, R-Homewood (*pictured*), which creates an independent and qualified tax appeals court and makes needed changes in Alabama's tax appeals process. **The bill, known as the Alabama Taxpayers' Bill of Rights II, is part of ARA's 2012 Legislative Agenda.** The original Taxpayers' Bill of Rights was enacted in 1992. This updated version now awaits consideration by the full House.



The legislation, similar to a bill by the same name that died on the last night of the 2011 session, abolishes the current Administrative Law Division of the Revenue Department and shifts its appropriation, personnel, equipment and tax appeal functions to the commission, aligning Alabama with the vast majority of

states that have an independent tax appeals process for businesses and individuals. The bill provides uniform and fair treatment of all Alabama taxpayers and saves both administrative and legal costs for

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BILLS

House

- [HB 89](#)
- [HB 105](#)
- [HB 140](#)
- [HB 152](#)
- [HB 242](#)
- [HB 266](#)
- [HB 268](#)
- [HB 290](#)
- [HB 307](#)
- [HB 325](#)
- [HB 354](#)
- [HB 393](#)
- [HB 436](#)
- [HB 450](#)
- [HB 597](#)
- [HB 600](#)

Senate

- [SB 48](#)
- [SB 73](#)
- [SB 100](#)
- [SB 163](#)
- [SB 174](#)
- [SB 237](#)
- [SB 264](#)
- [SB 309](#)
- [SB 350](#)

Federal

- [H.R. 2206](#)
- [H.R. 3179](#)
- [H.R. 3606](#)
- [S. 1832](#)

IN THE NEWS

[Sponsor urges GOP support for federal net tax bill](#)

[Sweeping Georgia tax bill, including Internet sales tax, hurtles toward law](#)

the average taxpayer who wishes to challenge a tax assessment.

Twenty-eight members of the Business Associations' Tax Coalition (a business trade association group chaired by ARA President Rick Brown), the Alabama Society of Certified Public Accountants, the Alabama Bar Association, the Council on State Taxation and chambers of commerce in four major Alabama cities are among the many groups supporting this legislation.

[>> Read Taxpayers' Bill of Rights II Issue Brief](#)

House to Consider Giving Retailers 4% Allowance to Collect E-911 Fees

When the Alabama House of Representatives returns from its spring break April 3, the first bill on its agenda will be [HB 89](#) by Rep. Mike Millican, R-Hamilton, which regulates E-911 services and fees.

Under this legislation, retailers, rather than carriers, would collect the E-911 fees for prepaid wireless communications services at the point of sale. ARA negotiated a provision that allows the retailer to deduct and retain four percent of the prepaid wireless 911 charges collected from consumers to cover the retailer's expenses for collecting and remitting the fees, along with sales taxes, to the Alabama Revenue Department. The House Boards, Agencies and Commissions Committee added an ARA-negotiated amendment to the bill that also would allow retailers to choose not to include the E-911 fee on sales of prepaid wireless devices that only have 10 minutes or less, or \$5 or less of minutes. **Monitoring this legislation is part of the ARA's 2012 Legislative Agenda.**

[>> Read ARA's full 2012 Legislative Agenda](#)

PHARMACY

Pharmacy Services Permit Bill on Way to Full Senate

Legislation to save up to 278 jobs at the Walgreens Customer Care Center in Muscle Shoals is one step closer to final passage. Wednesday, the Senate Health Committee amended and approved [HB 393](#) by Rep. Lynn Greer, R-Rogersville, which will create a pharmacy services permit for call centers and other such entities that perform some pharmacy services, but do not receive, inventory or dispense drugs, medicines, chemicals, poisons or medical devices. The bill now goes to the full Senate.

Existing state pharmacy permits require pharmacists and pharmacist technicians on site, a requirement that makes call centers cost prohibitive. Although specifically written to keep the Shoals call center open, the bill would apply to any such pharmacy support facility that doesn't dispense or keep drugs.

Companion legislation by Sen. Tammy Irons, D-Florence, [SB 350](#), also awaits consideration by the full Senate.

House OKs Bill Making Insulin, Other Diabetes Products Tax-Exempt

Thursday on a vote of 97-0, the Alabama House approved [HB 307](#) by

[Georgia small business owners praise e-fairness victory](#)

[Speaker Hubbard "pleased" with legislative session](#)

[Alabama Legislature offers tax credit for hiring vets](#)

[Alabama Senate panel OKs tax credits for film industry](#)

[Alabama Senate passes sales-tax break for aircraft parts](#)

[Wisconsin home beer brewers seek changes to alcohol laws](#)

[Compromise sought on farm winery legislation](#)

[Insider: Birmingham attorney readies winemaking operation](#)

[Alabama lawmakers closer to passing storm shelter bill](#)

[Alabama Senate passes plan giving more power to Sentencing Commission](#)

[JOBS bill to help small businesses raise cash clears Senate](#)

[PPACA turns two today. Will it reach three?](#)

[Health-care changes may not all disappear even if justices overturn the law](#)

[GOP plan OK'd by House panel](#)

[House panel approves contentious GOP budget plan](#)

ARA CONTACTS

[Rick Brown](#)
President

Rep. Ron Johnson, R-Sylacauga, which exempts prescribed insulin, insulin syringes, blood or urine testing supplies and related items used to treat diabetes from any state, county, and municipal sales and use taxes. The legislation applies retroactively to open tax periods. "This bill clarifies that these items are prescription items and fall under the prescription sales tax exemption," Johnson told the House, adding that governing bodies didn't start trying to collect sales tax on these items until the past year. The bill now goes to the Senate Health Committee. The Senate Finance and Taxation General Fund Committee approved the Senate companion [SB 309](#) Sen. Gerald Dial, R-Lineville, in late February.

House Panel OKs Bill Governing Warranties on Wheelchairs and Other Assistive Devices

The House Commerce and Small Business Committee on Wednesday amended and approved [HB 450](#) by Rep. Patricia Todd, D-Birmingham, which spells out duties for a manufacturers' warranty on assistive devices, including wheelchairs, scooters, hearing aids, voice synthesizers and Braille printers. The committee amended the bill to clarify cars and other vehicles are not included in the legislation and to set the statute of limitations for consumer lawsuits arising out of violations to two years. The bill now goes to the full House for consideration.

If a manufacturer can't fix a defect in a device, Todd's bill calls for a full refund plus finance charges and sales taxes or a replacement device within 30 days of the consumer returning the defective device. The bill's provisions would apply to individuals as well as governmental entities purchasing such a device for an individual. **If your store sells any of these devices, please review the bill and contact [ARA Vice President Alison Wingate](#) with any concerns.**

JOBS/INCENTIVES

Credit for Hiring Unemployed Veterans Gets Final OK

On a vote of 31-0 Tuesday, the Alabama Senate gave final approval to The Heroes for Hire Tax Credit Act by Rep. DuWayne Bridges, R-Valley. If signed into law by the governor, [HB 152](#) will give businesses up to \$2,000 in tax credits for hiring unemployed veterans who are Alabama residents and were honorably discharged within two years of the date of hire. Recently discharged veterans also could earn tax credits of up to \$2,000 for starting their own businesses. The new credits complement laws the Legislature enacted in 2010 and 2011 giving tax credits to businesses that create jobs for the unemployed. Sen. Tom Whatley, R-Auburn, sponsored the companion legislation, [SB 163](#).

Capital Credits Bill Ready for House Consideration

Wednesday, the House Economic Development and Tourism Committee approved [SB 48](#) by Sen. Arthur Orr, R-Decatur, which would allow companies that spend at least \$100 million on capital improvements and hire at least 100 people to delay the tax credit for up to four years. The committee has already approved the House companion, [HB 140](#) by Rep. Micky Hammon, R-Decatur. Both await consideration by the full House.

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E-MAIL:

Most representatives can be reached through the House e-mail system by using the following format:

[firstname.lastname@alhouse.org](#)

Those without e-mail addresses can be reached through the general e-mail address:

[house3@alhouse.org](#)

There is no general e-mail address for senators. [Click here](#) for a roster of the state senators with their complete contact information.

LINKS GO TO CONTACT INFO:

The link to each lawmaker mentioned in this publication goes to their individual websites, which have contact information. You can also find out whose legislative district you live or work in under [Find Your Lawmaker](#) in the [Political Affairs](#) section of [alabamaretail.org](#).

TAXES

Severe Weather Tax Holiday on April 3 House Agenda

Severe weather sales tax holiday legislation is one of 17 bills on the Alabama House of Representatives' April 3 agenda. [HB 436](#) by Rep. Bill Poole, R-Tuscaloosa, would establish a severe weather sales tax holiday for the last weekend in April of this year and an annual tax holiday for last weekend in February starting in 2013. **ARA supports this legislation.**

[>> Read about the success of Alabama's current sales tax holiday](#)

LEGAL

House to Consider Ban on Lawsuits That Blame Others for Obesity

The House's April 3rd calendar also includes legislation that would protect retailers from civil action brought by those who claim the food retailers sold them made them obese. Other groups covered by the ARA-supported Common Sense Consumption Act are manufacturers, packers, distributors, carriers, holders, marketers or advertisers. [HB 242](#) is by Rep. Mike Jones, R-Andalusia.

The Senate Judiciary Committee had companion legislation, [SB 100](#) by Sen. Gerald Allen, R-Tuscaloosa, on its Wednesday agenda, but took no action on the bill. Allen also is the sponsor of similar legislation, [SB 264](#).

If Governor Signs Bill, Legal Notices Must Be Printed and Published Online

On a vote of 28-0 Tuesday, the Alabama Senate concurred with the House substitute for [SB 73](#) by Sen. Cam Ward, R-Alabaster, sending the bill to the governor for his signature. If the governor signs the legislation, the new law will require legal notices to be published both in print and online. The bill requires that publications receiving legal notices for print simultaneously upload the notices to the publication's website, if it has one, and a statewide website without an additional charge to whoever originally placed the legal ad in the print publication. The House companion was [HB 290](#) by Rep. Mike Hill, R-Columbiana.

CHILD LABOR

House, Senate Child Labor Revisions Now Have Identical Amendments

Wednesday, the House State Government Committee made an identical amendment to the House version of a child labor law reform bill that it made to the Senate version earlier this month. The committee amended and approved [HB 268](#) by Rep. Blaine Galliher, R-Gadsden, to update and clarify the state's child labor laws. On March 7, the committee also amended and approved the Senate

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In April, ARA begins a four-part series of free online courses to provide practical tips and new ideas you can implement in your store.

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Wednesday, April 25



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Wednesday, May 23



version of the bill, [SB 174](#) by Sen. Jimmy Holley, R-Elba.

The committee amendment requires that employers keep the most recent 60 days of time records for workers younger than 19 at the location where the minor works. Also, all required records must be maintained either where the minor works/worked or at a central location, such as the business' headquarters or home, for at least one year after the minor's employment ends. Federal law requires the records be kept for three years at a central location. Under the bill, a completed Employee Information Form and proof of age records must be maintained where the minor works as long as they work there.

The bill also clarifies that no one younger than 16 can be employed where alcohol is served on premises, but that 16- and 17-year-olds can be employed as busboys, dishwashers, janitors, cooks or hostesses/seaters where alcohol is served.

The other proposed revisions to current law would prohibit 14 or 15 year olds from working in a warehouse; clarify the acceptable documents needed to verify a minor's age; require employers to post their Child Labor Certificate; prohibit anyone younger than 18 from working in an adult establishment; and allow for a range of civil penalties from \$1,000 to \$5,000.

ALCOHOL

Dallas County Sunday Sales Referendum Awaits Governor's Signature

If Gov. Robert Bentley signs [HB 266](#) by Rep. Darrio Melton, D-Selma. into law, the Dallas County Commission will have 30 days to set the date for a referendum asking Dallas County voters if they would like to legalize Sunday alcohol sales between noon and 9:30 p.m. in their county.

House Panel OKs Recorked Wine in Doggie Bags

The House Economic Development and Tourism Committee on Wednesday approved the idea of allowing restaurant patrons to put the cork back in an unfinished bottle of wine and take it home. After a public hearing, the committee favorably reported [HB 325](#) by Rep. Terri Collins, R-Decatur, which would allow customers to take an opened bottle of wine from a properly licensed establishment, if the bottle has been recorked or resealed in a bag. The seller must also provide the customer with a dated receipt for the resealed wine bottle. The Senate Judiciary Committee has debated but not yet voted on the companion legislation, [SB 237](#) by Sen. Paul Sanford, R-Huntsville. The legislation could boost sales of higher-priced wines at Alabama restaurants. [At least 30 states have recorking laws.](#)

House Could Debate Home Brewing After Break

A bill that would allow beer, cider and wine to be brewed in homes in limited amounts, but not offered for sale, is on the House agenda for Tuesday, April 3. Under [HB 354](#) Rep. Mac McCutcheon, R-Capshaw, home brewers would be able to make up to 15 gallons of the approved beverages every three months. The legislation would allow

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the home-brewed alcohol to be transported to festivals and tasting contests. According to the American Homebrewers Association, Alabama and Mississippi are the only states that forbid home brewing. This is the third year similar legislation has been proposed. This year's bill significantly lowers the allowable amount of home brew allowed and forbids those convicted of a felony from participating in home brewing. **ARA will continue to monitor this legislation.**

SMALL BUSINESS

Bill Would Help Finance Small Businesses

Rep. Barry Moore, R-Enterprise, introduced a bill Thursday to create the Alabama Small Business Financing Authority, which would work with banks and other lenders to provide capital and loans to small businesses.

Businesses with less than \$10 million in gross income for the past three fiscal years, fewer than 500 employees or a net worth of \$2 million or less would qualify as small businesses under [HB 600](#). The Alabama Department of Economic and Community Affairs would transfer federal funds it receives to the Alabama Small Business Capital Access Fund. ADECA would manage the fund, which will be administered by the authority. Money in the fund will be used to provide loans, loan guarantees, loan loss reserves and interest rate write downs for qualifying businesses.

MEDICAID

Optometrists Eligible for Health Record Incentives

As of this week, optometrists are eligible for electronic health record incentive payments. The attestation deadline for those professionals of any type for applying for the 2011 incentive program is March 31. Since 2011, eligible Medicaid providers have been offered financial incentives for implementing and using Health Information Technology, or HIT, in the management of their patient populations. Visit al.rraincentive.com/ or onehealthrecord.alabama.gov to learn more. These incentives arose out of the American Recovery and Reinvestment Act (ARRA).

NEXT LEGISLATIVE DAY

The Alabama Legislature will be in spring recess next week. The Alabama House will convene at 1 p.m. Tuesday, April 3, for the 16th legislative day of the 2012 regular session. The Senate will meet at 2 p.m. The next *Capital Retail Report* will be Friday, April 6

FEDERAL

U.S. Senate OKs JOBS Act; Sends It Back to House

Senators voted 73 to 26 Thursday for the Jumpstart Our Business Startups (JOBS) Act, a package of bills designed to make it easier for

small businesses to launch initial public offerings, solicit new investors and hire more workers. The Senate version of [H.R. 3606](#) is not identical to the House-passed version, so the amended Senate bill has to go back to the House for concurrence. President Obama has said he will sign the bill when it reaches his desk.

Chain Restaurants Call for Better Health Reform; RILA Endorses Auto Enroll Repeal Act

Two national retail groups this week called for complete or partial repeal of the Patient Protection and Affordable Care Act (PPACA). It has been two years this week since the sweeping federal healthcare reform legislation passed.

The National Council of Chain Restaurants called on Congress to repeal the act and replace it with a law that makes it easier for employers to provide health care insurance coverage to their employees. Central among concerns of chain restaurant operators' are the law's requirement that most large employers and their small business franchisees provide health insurance at



government-mandated levels for full-time workers beginning in 2014, its definition of 30 hours a week as full-time work, and short waiting periods before new workers become eligible for coverage.

Meanwhile, the Retail Industry Leaders Association (RILA) called for the repeal of a mandate that requires large employers to automatically enroll employees into a health care plan if the employee fails to voluntarily choose or decline coverage. The bill, the Auto Enroll Repeal Act, [H.R. 2206](#), is sponsored by U.S. Rep. Frank Guinta, R-N.H. The auto enrollment mandate would result in an administrative nightmare for employers and could subject employees to health care premiums for coverage they may not want or need. Further, individuals may end up enrolled in a plan that does not fit their specific health needs or is not accepted by their health providers.

The Departments of Labor, Health and Human Services, and Treasury have released a Frequently Asked Questions Notice ([Notice 2012-17](#)) acknowledging employers' concerns about the complexities this provision, stating, "*the Department of Labor has concluded that its automatic enrollment guidance will not be ready to take effect by 2014.*"

House Republicans Introduce Budget, Including 25% Corporate Tax Rate

House Republicans this week introduced a 98-page U.S. budget intended as an alternative to the spending plan President Obama proposed in February.

A tax reform section of the budget would reduce the corporate rate to 25 percent in return for "*broadening the base*" by eliminating tax

deductions and credits that benefit only a few industries. The plan also would consolidate the current six individual income tax brackets into two, at 10 percent and 25 percent, and eliminate the Alternative Minimum Tax.

Although likely to be rejected by the Democratic-controlled U.S. Senate, the proposal by Rep. Paul Ryan, R-Wis., received a narrow 19-18 approval by the House Budget Committee on Wednesday and could see a House vote as early as next week.

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