

April 13, 2012

## Senate OKs Single Filing Point for Taxes; House Next

### House Panel Amends Senate Version; House Could Debate Next Week

With lightning speed, the Alabama Senate and a House committee this week approved legislation creating a single, electronic filing and remittance mechanism for city, county and state sales, use and lease/rental taxes. The Alabama House could debate [SB 459](#) by Sen. Slade Blackwell, R-Birmingham, as early as next week.

"This bill could be one of the most important, pro-business items of legislation that the Legislature passes this year," Blackwell said in a statement after the Alabama Senate amended and adopted what he refers to as his "cool bill" on a vote of 27-1 Tuesday. The legislation that allows retailers statewide to handle up to three taxes to three different types of governments with one return and one payment in one place will relieve an administrative headache for the almost one-third of ARA members with multiple locations in our state.



Some Alabama retailers now have to file as many as 150 returns and make up to 150 payments to up to 150 different entities each month. "This common sense solution to alleviate that burden is a perfect example of how we can streamline government operations to better serve Alabama taxpayers," said Senate President Pro Tem Del Marsh.

Wednesday, the House Commerce and Small Business added a technical amendment then approved the Senate-passed version of the bill, which added two non-voting members to an advisory group that will make recommendations to the Alabama Revenue Department on the design and operation of the system. Those appointments go to the Speaker of the House and Senate President Pro Tem. ARA will appoint one voting member to that panel.

Streamlining sales and use tax administration through a single entity is a main plank in the Alabama Retail Associations' 2012 Legislative Agenda and has been recommended by Senate President Pro Tem Del Marsh's Initiative to Streamline Government, House Speaker Mike Hubbard's Commission on Job Creation and the Alabama Streamlined Sales and Use Tax Commission.

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"We look forward to passing this legislation in the House," Hubbard said.

The bill will create the Optional Network Election for Single Point Online Transactions, or ONE SPOT, in time for returns and payments due in tax periods that begin after Sept. 30, 2013.

"The best news is we have worked with our Department of Revenue to offer this service free of charge for businesses and local jurisdictions," said Gov. Robert Bentley, who also issued a statement in support of the legislation.

[>> Read a synopsis of the bill](#)

Use of the system will be optional for taxpayers, but all of the state's cities and counties must participate. While this legislation doesn't require a single administrator, it does give retailers the option of remitting the taxes through a single portal. This is a first step toward bringing Alabama's tax system into compliance with federal legislation pending in Congress that would require all retailers to collect sales and use taxes.

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## BUDGETS AND MEDICAID

### House's Austere General Fund Includes Deep Medicaid Cuts, Alters Generic Prescription Process

The Alabama House of Representatives voted 56-47 Tuesday for an almost \$1.4 billion General Fund budget that cuts funding to most state agencies, including slashing 30.5 percent from Medicaid. The bill awaits consideration by the Senate Finance and Taxation General Fund Committee. The Senate Finance and Taxation Education Committee delayed its consideration of the education budget until next week.

[HB 433](#) by Rep. Jim Barton, R-Mobile, is \$345 million less than the current spending plan for all state agencies outside of education. State Health Officer Don Williamson said the total loss for Medicaid in Alabama, including a loss of matching federal funds and 10.6 percent proration in this year's budget, could be \$720 million.

Williamson said the proposed budget could lead to elimination of adult pharmacy services, cuts to pharmacy for children and in-patient hospital care, and deeper cuts to reimbursements for physicians. He told lawmakers some providers might refuse to see Medicaid patients.

The proposed General Fund budget includes a section that changes how pharmacies handle generic prescriptions for Medicaid patients. By Oct. 1, Medicaid is to adopt a Preferred Generic Drug List, under the bill. "*Medicaid shall enter into arrangements that require generic manufacturers of drugs on the Preferred Generic Drug List to provide state rebates based upon a competitive bidding process of their drugs. This shall be in lieu of prescription drug limits in the Medicaid Pharmacy Program. Generic Drugs not selected for the PGDL shall be prior authorized,*" the bill states.

Other drug-related provisions in the budget state: "*It is the intent of the Legislature that the appropriation made herein to the Alabama*

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## BILLS

### House

- [HB 37](#)
- [HB 63](#)
- [HB 64](#)
- [HB 101](#)
- [HB 242](#)
- [HB 243](#)
- [HB 268](#)
- [HB 290](#)
- [HB 307](#)
- [HB 325](#)
- [HB 393](#)
- [HB 394](#)
- [HB 433](#)
- [HB 436](#)
- [HB 450](#)
- [HB 480](#)

### Senate

- [SB 73](#)
- [SB 100](#)
- [SB 174](#)
- [SB 237](#)
- [SB 309](#)
- [SB 350](#)
- [SB 383](#)
- [SB 459](#)

### Federal

- [S 2230](#)

## IN THE NEWS

[Alabama Senate passes bill to streamline business tax returns](#)

[Online sales tax battle pits Amazon against Norquist and Sen. DeMint](#)

Medicaid Agency be utilized in such a manner to provide open access with no prior authorization for medications prescribed according to FDA approved indications for mental illness and HIV/AIDS. Any requirements for prior authorization of antipsychotic drugs will be for the limited purpose of managing off-label utilization. The Alabama Medicaid Agency shall support the development of and continue existing arrangements with any Program of All-Inclusive Care for the Elderly (PACE)."

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## PHARMACY

### Job-Saving Pharmacy Services Bill on Governor's Desk

Tuesday, the Alabama House voted 83-5-1 to concur with changes the Alabama Senate made last week to [HB 393](#) by Rep. Lynn Greer, R-Rogersville, legislation that will save up to 220 jobs at the Walgreens Customer Care Center in Muscle Shoals. **If the governor signs this ARA-supported bill, it will become law.**

The legislation creates 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. Existing state pharmacy permits require pharmacists and pharmacist technicians on site, a requirement that makes pharmacy 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. The companion legislation is [SB 350](#) by Sen. Tammy Irons, D-Florence.

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### Senate to Have Final Say in Making Insulin, Other Diabetes Products Tax-Exempt

Legislation that would exempt prescribed diabetes-related treatments from any state, county, and municipal sales and use taxes is headed to the Senate for final approval.

The Senate Health Committee on a vote of 6-0 Wednesday approved [HB 307](#) by Rep. Ron Johnson, R-Sylacauga, which would make insulin, insulin syringes, blood or urine testing supplies and related items used to treat diabetes tax exempt. 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 said, adding that governing bodies didn't start trying to collect sales tax on these items until the past year. The House approved the bill in late March, while the Senate Finance and Taxation General Fund Committee approved the Senate companion [SB 309](#) Sen. Gerald Dial, R-Lineville, in late February.

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### Pharmacy Audit and Assistive Devise Bills on House 10-Minute Calendar for Tuesday

['Draconian' Medicaid budget cuts could cause reduction in services, crowd emergency rooms](#)

[Alabama House passes budget that would chop General Fund by about \\$345 million](#)

[House passes 'dire' General Fund budget](#)

[State officials encourage participation in Prescription Drug Take-Back Day](#)

[Take-Back Day gives Prattville residents chance to safely discard unwanted prescriptions](#)

[Shelby and Sessions oppose Obama's push for Buffett Rule](#)

['Buffett Rule' vs. Ryan plan: Who should chip in more?](#)

[Alabama legislators giving business backed bills thumbs up](#)

[Opponents dominate immigration bill hearings](#)

[Opponents mostly dominate immigration bill hearing](#)

[Business Council of Alabama pushes for Alabama immigration law revisions](#)

[Law would lure data processing centers to Alabama](#)

[Senate committee passes looting bill](#)

[Tax increment finance bill would give Huntsville 'another tool' to attract large manufacturer](#)

['Homeowners Bill of Rights' splits insurance industry](#)

[Insurance proposals stall in Montgomery](#)

The Alabama House will take 10 minutes each to consider 32 bills on its agenda for Tuesday, the 20th legislative day of the 30-day regular session. Two pharmacy-related bills are on that calendar:

- [HB 394](#) by Rep. Elaine Beech, D-Chatom, would establish minimum and uniform standards for pharmacy record audits. The Senate companion, SB 383 by Sen. Paul Bussman, R-Cullman, awaits action by the full Senate.
- [HB 450](#) by Rep. Patricia Todd, D-Birmingham, spells out duties for a manufacturers' warranty on assistive devices, including wheelchairs, scooters, hearing aids, voice synthesizers and Braille printers. Cars and other vehicles do not qualify as an assistive device under the bill. 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.

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## Encourage Customers to Dispose of Expired/Unused Prescription Drugs

Saturday, April 28, is National Prescription Drug Take-Back Day. The state's attorney general, U.S. attorneys and state health officer are encouraging Alabama residents to take unused and expired prescription drugs to more than 40 collection sites in our state on that date for proper disposal. Twenty-four of those sites are retail locations, including pharmacies, grocery stores, department stores and even one restaurant. Local law enforcement and pharmacists will be on hand to dispose of the unwanted drugs.

[>>>Find a collection site near you:](#)

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## MORE ON HOUSE'S TUESDAY AGENDA

### Severe Weather Tax Holiday, Common Sense Consumption and Child Labor Changes Up Tuesday

Two bills the Alabama Retail Association supports and a third ARA is monitoring are among the 32 bills on the Alabama House of Representatives' April 17 agenda:

- [HB 436](#) by Rep. Bill Poole, R-Tuscaloosa, which would establish a severe weather sales tax holiday. **ARA supports this legislation.** Meanwhile, cities and counties have begun to opt in to the [state's current sales tax holiday](#) for books, school supplies, clothes and computers, which will be Aug. 3-5.
- [HB 242](#) by Rep. Mike Jones, R-Andalusia, which 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. The companion legislation, [SB 100](#) by Sen. Gerald Allen, R-Tuscaloosa, awaits action by the Senate Judiciary Committee.
- [HB 268](#) by Rep. Blaine Galliher, R-Gadsden, to update and

[Birmingham Business Alliance calls on lawmakers to help Jefferson County](#)

[Rep. Jack Williams proposes a new occupational tax bill for Jefferson County](#)

[Report: Cash-strapped states fail to track whether business tax breaks are sparking job growth](#)

## ARA CONTACTS

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To contact members

of the Alabama Legislature:

**WRITE:**

Alabama State House

11 South Union Street

Montgomery, AL 36130

**CALL:**

HOUSE: (334) 242-7600

SENATE: (334) 242-7800

**E-MAIL:**

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

clarify the state's child labor laws. The Senate version of the bill is [SB 174](#) by Sen. Jimmy Holley, R-Elba. **ARA is monitoring this legislation**

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## ALCOHOL

### Bill to Allow Multiple Alcohol-Related Jobs Ready for Final OK in Senate

Legislation that would do away with an outdated law that prohibits working at more than one business that sells alcoholic beverages is one step away from final passage.

Thursday, the Senate Commerce, Transportation, and Utilities Committee voted 4-1 for [HB 101](#) by Rep. Mike Jones, R-Andalusia. Last year, similar legislation reached the same point in the process but went no further.

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### House to Consider Recorking Bill Tuesday

[HB 325](#) by Rep. Terri Collins, R-Decatur, which would allow restaurant patrons in Alabama to put the cork back in an unfinished bottle of wine and take it home, is on the House's 10-minute calendar for Tuesday. The bill allows customers to take one opened bottle of wine from a properly licensed establishment, if the bottle has been recorked or resealed in a bag. The seller must provide the customer with a dated receipt for the resealed wine bottle. The legislation could boost sales of higher-priced wines at Alabama restaurants. At least 30 states have recorking laws. A substitute version of the Senate companion, [SB 237](#) by Sen. Paul Sanford, R-Huntsville, awaits consideration by the full Senate.

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### House Panel Alters Some Alcohol License Fees

Wednesday, the House Economic Development and Tourism Committee voted to make a couple of changes in fees related to alcohol licensing. The committee voted to:

- double the application filing fee for an alcoholic beverage license from \$50 to \$100. The fee, which is only assessed on new applicants, has not been increased since it was first instituted in early 1980s.
- switch the renewal period for alcohol license renewals from Oct. 1 to between June 1 and July 31, while increasing the fee for late filing from 50 percent to 75 percent of the license fee. The approved legislation also allows the Alabama Alcoholic Beverage Control Board to set up an online renewal process and charge a "reasonable fee." During debate supporters said the reasonable fee would be similar to interchange fees, somewhere between 40 cents and \$1.

[HB 63](#) and [HB 64](#), both by Rep. Lesley Vance, R-Phenix City, now go to the full House for consideration. Finance Director Marquita Davis has asked all agency heads for suggestions of fee increases to help fund their agency or the General Fund.

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

[house3@alhouse.org](mailto: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.

### CONTACT INFO:

Find a list of members of the Alabama House [here](#). A complete list of senators is available [here](#).

You can find out whose legislative district you live or work in under [Find Your Lawmaker](#) in the [Political Affairs](#) section of [alabamaretail.org](http://alabamaretail.org).

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### Social Media:

Answers to the most common questions for retailers

Wednesday, April 25

## FOOD SERVICE

### Restaurant Rebate Bill for Alabama-Grown Food and Alabama-Processed Seafood Heads to House

Tuesday, the House Agriculture and Forestry Committee approved [HB 37](#) by Rep. Joe Hubbard, D-Montgomery, which offers restaurants a four percent rebate for buying Alabama-grown food products and any seafood product processed in Alabama. Under the bill, restaurants could submit documentation of annual purchases of Alabama agricultural and seafood products to apply for up to a four-percent rebate from a state fund established by the bill. The bill has no funding mechanism but creates the Alabama Purchase of Local Agricultural Products Incentive Program Fund into which the state can deposit "*any public or private grants, gifts, and donations.*" The bill now goes to the full House for consideration.

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**Wednesday, May 23**



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## TAX INCENTIVES

### Film Incentive Bill Goes to Conference

A conference committee will iron out differences in House and Senate versions of [HB 243](#) by Rep. Terri Collins, R-Decatur. The Senate on Tuesday adopted a substitute version of the bill that increases the incentives offered to companies to film movies and television shows in Alabama. The House didn't go along with the Senate changes, so Sens. Trip Pittman, R-Daphne; Gerald Dial, R-Lineville; and Jerry Fielding, D-Sylacauga; along with Collins and Reps. Alan Harper, R-Aliceville, and Pebblin Warren, D-Tuskegee, will serve on the conference committee. The two versions of the bill differ on how much the state can spend overall on film production incentives. The House set the annual limit at \$25 million, while the Senate set it at \$15 million.

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## LEGAL NOTICES

### Legal Notice Bill Back on Governor's Desk

Both chambers of the Alabama Legislature unanimously concurred Tuesday with an executive amendment to [SB 73](#) by Sen. Cam Ward, R-Alabaster. The governor made technical amendments to the

legislation requiring legal notices to be published both in print and online. The bill requires publications receiving legal notices for print to simultaneously upload the notices to the publication's website, if it has one, and a statewide website without an additional charge to whomever originally placed the legal ad in the print publication. The House companion was [HB 290](#) by Rep. Mike Hill, R-Columbiana.

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## NEXT LEGISLATIVE DAY

**The Alabama Senate will convene at 9 a.m. Tuesday, April 17, for the 20th legislative day of the 2012 regular session. The House will meet at 1 p.m.**

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## FEDERAL

### U.S. Senate to Vote Monday on Buffet Rule

Monday, April 16, the U.S. Senate will take a cloture vote on [S 2230](#), the Paying a Fair Share Act of 2012, also known as the Buffett Rule. The bill by Sen. Sheldon Whitehouse, D-R.I., has taken the name of billionaire investor Warren Buffett, who said it was wrong that his secretary pays a higher tax rate than he does. The bill would require households with adjusted gross incomes exceeding \$2 million a year to pay a minimum tax rate of 30 percent, beginning in 2013. Households with incomes from \$1 million to \$2 million would see their taxes increase on a sliding scale up to 30 percent. President Barack Obama has been campaigning hard for the legislation. Alabama Sens. Richard Shelby and Jeff Sessions, along with most other Republican senators, oppose the legislation. For that reason, it is not expected to receive the 60 votes needed.

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### NLRB & Revised Federal Workplace Posters on Way

Most private businesses must put up posters telling workers they have a legal right to form a union by April 30.

The Alabama Retail Association is printing copies of the posters for all ARA members as well as revised versions of the six-in-one federal workplace posters. Both will be mailed to ARA members before the April 30 deadline.

Should you not receive the NLRB poster by that date, you can print it directly from the NLRB website:

- [Employee Rights Under the NLRA poster, two-page 8.5 x 11 version \(pdf\)](#)
- [Employee Rights Under the NLRA poster, 11 x 17 version \(pdf\)](#)

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