

BENEFIT FROM THE VALUE.

THIS ISSUE
INSIDE



— At the 32nd Annual Retail Day, Alabama Retail and UAB honored 13 outstanding Alabama retail businesses with operations in 72 Alabama cities and 31 states as Retailers of the Year or as Centennial Retailers.



— The Alabama Legislature returns Jan. 14 with some new faces and some vacancies. Alabama Retail will be there advancing its Legislative Agenda.



— Alabama Retail calls on Congress to rectify the online sales tax loophole before another holiday shopping season rolls around.



— Alabama's severe weather sales tax holiday returns in February. Start gearing up now.



— Eight years in, Alabama's back-to-school sales tax holiday continues to produce results. Sales tax collections grew almost 3 percent in August even though books, school supplies, computers and clothes were tax free for three days during the month.

As of Jan. 1, transactions follow new local nexus rule

A new regulation regarding local nexus that parallels the state nexus rule applies to transactions in Alabama starting in 2014.

Under the new rule, a seller using its own delivery trucks and its own employees is responsible for collecting and remitting the applicable local tax.



If the seller uses a common carrier or the U.S. mail to perform a delivery, provided the seller has "no other contact" with the destination locality, the seller does not have an obligation to collect and remit the local sales and use tax. The corresponding use tax may be owed by the purchaser/consumer.

continued on Page 10

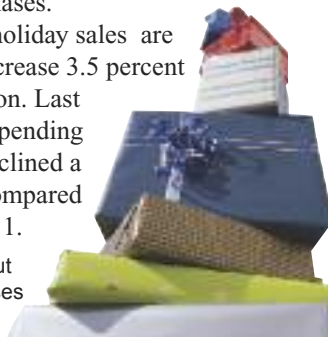
Expect 2 percent growth in holiday sales

Holiday spending should near \$9 billion in Alabama.

The Alabama Retail Association expects 2013 taxed holiday sales to reach \$8.9 billion, at least 2 percent higher than the \$8.7 billion spent during November and December of 2012. If that prediction proves true, Alabamians should spend almost \$175 million more this holiday season than in 2012 on taxed purchases.

Nationally, holiday sales are expected to increase 3.5 percent to \$602.1 billion. Last year, holiday spending in Alabama declined a half percent compared to Holiday 2011.

Learn more about untaxed purchases on Page 2.



Subcommittee focuses on retail products for business license reform

A joint legislative subcommittee tasked with reforming Alabama's cumbersome and confusing state and county business licensing system has narrowed the scope of any initial legislation to creating a single business license for retail products and repealing obsolete business licenses. The committee is expected to draft legislation for possible introduction at the start of the Alabama Legislature's 2014 regular session in January. See **Alabama Retail's Legislative Agenda on Pages 8 and 9.**

Currently, the state of Alabama issues 136 different kinds of business licenses. Some are based

more on Page 10





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**FROM THE PRESIDENT
RICK BROWN**



Alabama's hometown, Main Street, mom-and-pop, small retailers have one wish this holiday season: That the U.S. Congress closes the online sales tax loophole.

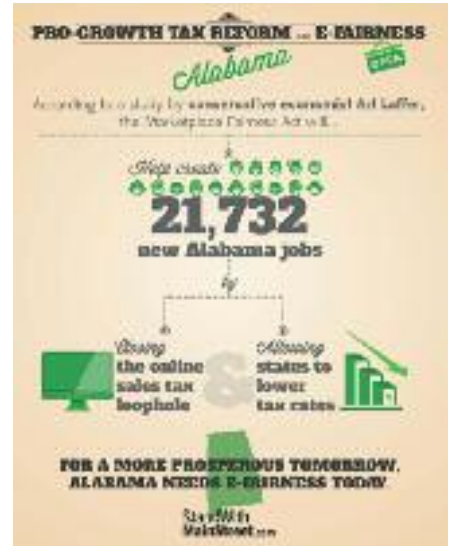
Your Alabama Retail Association predicts Alabamians will make \$8.9 billion in taxed purchases in November and December (See Page 1).

Consumers in our state probably will spend as much as another \$712 million this holiday season with out-of-state, online-only retailers who don't collect sales taxes, based on 2012 research done by professors at the University of Alabama at Birmingham's Collat School of Business.

That means hundreds of millions of dollars will be spent by our citizens that will not benefit the state of Alabama nor its retailers. It is past time for Congress to address e-fairness and end the online sales tax loophole before another holiday shopping period rolls around.

Progress has been made this year toward that goal. In May, the U.S. Senate, including Alabama's senators Richard Shelby and Jeff Sessions, approved the Marketplace Fairness Act, which would level the playing field in regard to sales tax collection for most retailers. In September, the House Judiciary Committee, including a subcommittee led by Alabama's 6th District Congressman Spencer Bachus, released its principles for remote sales tax collection. Now, Congress needs to take swift action by drafting legislation based on these principles and passing the bill in the U.S. House of Representatives.

President Ronald Reagan's economist Art Laffer released a report earlier this year that said the potential economic growth in Alabama by 2022 if the Marketplace Fairness Act passes would be



\$6.8 billion in additional GDP and 21,732 new jobs. The 2012 study by Robert Robicheaux, Ph.D., chair of the Department of Marketing, Industrial Distribution and Economics in the Collat School of Business at UAB and an Alabama Retail Association board member, said Alabama loses \$2 billion in taxable sales to out-of-state online retailers each year, resulting in the loss of as many as 4,000 jobs annually. Alabama needs Congress to pass the Marketplace Fairness Act as soon as possible to give states the ability to collect these taxes online.

Alabama Retail members have been on the forefront of this debate for years and have communicated their support for e-fairness at every step in the process. Once again, please contact your congressional representative and tell him or her that your holiday wish is that Congress levels the playing field in regard to sales tax collection.

Rick Brown: rbrown@alabamaretail.org

New look for logos and website

Alabama Retail Association has spiffed up its brand over the past few months. You may have noticed a new look for the logos for both the association and Alabama Retail Comp, which we will continue to phase in as we use up printed materials with the former logos. Now, we have a new website to match the updated look of our logos. Check it out at alabamaretail.org and tell us what you think. We did it all so you can better Benefit from the Value of your membership.

Localities have until Jan. 21 to join severe weather sales tax holiday

For more information, go to: alabamaretail.org/alabamasalestaxholidays/

Alabama's third severe weather sales tax holiday runs from **12:01 a.m. Friday, Feb. 21, until midnight, Sunday, Feb. 23.** During that time, Alabama will waive sales taxes on certain items needed to prepare for severe weather emergencies. In mid-November, the Alabama Retail Association mailed documents to help its members prepare for this potentially revenue-boosting event, including:

➤ **a poster to help promote the three-day holiday.** Even businesses that do not sell the tax-free items can benefit. Stimulating sales and boosting the statewide economy is what sales tax holiday weekends are all about. Place this poster in the front of your store or near the items that qualify for the tax exemptions. If you need more posters, you can download and print the pdf version from the sales tax holidays page on the Alabama Retail Association's website.

➤ **a Quick Reference Sheet of Exempt Items for the tax holiday.** This is a perfect piece to place beside your cash registers. You might also want to make copies to provide to your

customers or post them throughout your store to help your customers understand what is and isn't sales tax free.

During the February holiday weekend, shoppers don't pay the state's four percent sales or use tax on purchases of qualifying items: common disaster supplies that cost less than \$60 that every home and business needs to prepare for an emergency; and generators costing \$1,000 or less. Alabama retailers must participate in the state's sales tax holidays and cannot charge any waived sales taxes on the items that are legally tax-exempt during the tax holiday.

Local governments can exempt their sales taxes as well, making the savings even greater and more enticing for the consumer. City councils and county commissions must approve the necessary ordinance or resolution by Tuesday, Jan. 21, to participate in the severe weather sales tax holiday.

Tornado season runs from March to August in Alabama and hurricane season is from June to November. Having the tax holiday in February comes at an ideal time to stock up on emergency supplies.



Retailers worked hard for passage of Alabama's sales tax holiday laws. The popularity of tax holidays continues to grow. In the current economic climate, consumers still need savings and an incentive to spend. Alabama's sales tax holidays give them both. Alabama Retail hopes the severe weather sales tax holiday stimulates spending and, as the back-to-school sales tax holiday has shown (see **story below**), increases sales on taxed as well as untaxed items.

August sales up almost 3%; sales tax holiday improves overall sales

Alabama rang up \$4.23 billion in total taxed sales in August, nearly 3 percent growth over August 2012. That is all sales, all month, not just on back-to-school spending. Those are the best sales numbers for an August in five years.

The state collected \$169.2 million in sales taxes even though many clothes, computers, books and school supplies were tax free over one weekend. A record 281 cities and counties joined the state in waiving their sales taxes for the three-day holiday, increasing the savings for consumers to as much as 10 percent of their purchases.



Ninth annual sales tax holiday for school-related items

12:01 a.m. Friday, Aug. 1, 2014 to midnight Sunday Aug. 3, 2014

- clothing priced at \$100 or less
- supplies valued at \$50 or less
- books that cost \$30 or less; and
- and computer equipment with a selling price of \$750 or less.

GREAT TRACK RECORD

After eight years, Alabama's back-to-school sales tax holiday continues to encourage taxed as well as untaxed sales. Our state has only seen a decrease in tax revenue one August in the eight years the state has had the sales tax holiday during the first full weekend of the month.

Alabama sales generally represent 1.5 percent of all retail sales nationally. Nationwide, \$72.5 billion was expected to be spent on back-to-school shopping, which means about \$1.08 billion was spent to equip and outfit students in our state this year.

The back-to-school season is the second-largest sales period for retailers after the winter holidays.

In-store experience is the competitive advantage for brick & mortar retailers, says Simply Fashion founder and COO

The Barstein name as a retail force in Alabama goes back three generations.

Russian immigrant Morris Barstein started out operating a fruit cart in downtown Birmingham. In 1955, he pooled resources with his uncle, Max Corenblum, to open War Surplus Stores, also in downtown Birmingham.

"War surplus stores were at the beginning of many modern retail chains," said Rodney Barstein, grandson of Morris Barstein and the keynote speaker for the 2013 Alabama Retail Day luncheon.

In 1957, Mervyn Barstein, joined his father and great uncle in the family business that became known as Bargain Town USA to get "merchandise to rural Alabama," Mervyn's son, Rodney, said.

"The first Bargain Town opened in downtown Leeds," said the third-generation retail entrepreneur. The discount variety merchandising store was the first to let customers shop for themselves, rather than having merchandise behind a counter or under glass.

Bargain Town hired early local TV stars, such as Country Boy Eddie and Bozo the Clown, to promote its grand openings, which Barstein said was a key to the chain's success.

Bargain Town USA grew to 60 stores before the family sold it in 1987.

The stores began operating as Simply 6 among other names before the new owners' business collapsed.

In 1991, Rodney, his brother Mark, and the Janak Shah family of Miami, Fla., bought Simply 6, brought it out of bankruptcy and began operating the chain of clothing stores as Simply Fashion Stores Ltd.

Now in its 23rd year, Simply Fashion operates 250 stores in 22 states and employs 1,500 associates with 15 stores and more than 165 associates in Alabama. The chain has 24,000 facebook



At left, Alabama Retail President Rick Brown presents Rodney Barstein with a Simply Fashion Day proclamation from the governor earlier this year; at right, Mark and Rodney Barstein in their Birmingham headquarters store in 2011.



ALABAMA RETAIL Featured Member

likes and communicates regularly with 160,000 customers through e-mail, said Barstein, who serves as its chief operating officer.

Barstein sees the perfect storm coming for brick-and-mortar retailers unless they evolve and change.

Twenty percent of purchasers say they regularly compare prices and purchase from another retailer while shopping in a store. That percentage goes up the younger the customer. The potential for a brick-and-mortar retailer to lose its customer to a competitor in this manner is nearly two-thirds among Generation X, those between the ages of 33 and 53, Barstein said.

"For brick-and-mortar stores, the in-store experience is the competitive advantage," said Barstein. "Most executives know what a well merchandized store looks like, but they know very little about what a quality experience looks like," he added.

"Brick-and-mortar retailers must evolve and enhance the one major advantage they have – the in-store experience," Barstein told those attending the Alabama Retail Day luncheon on Oct. 8 in Birmingham.

Simply Fashion has been an Alabama Retail Association member since 1992. Rodney Barstein is a former Alabama Retail Association chairman (2000-2001) who continues to serve as an active member of our association's board of directors. He, his brother, Mark, and the Janak Shah family earned the 2011 Gold Alabama Retailer of the Year award in the Annual Sales More Than \$20 Million Category. Rodney Barstein was featured on the cover of the December 2013 Business Alabama magazine.



For more on Retail Day, see Pages 6 and 7. For more on Simply Fashion, go to simplyfashion.com

Left photo by Hal Yeager Photography, Birmingham; Right photo provided.

Federal health care delays continue

In Alabama and the 35 other states where the federal government is running health insurance exchanges, small businesses won't be able to use the healthcare.gov website until November 2014.

Small businesses with 50 or fewer full-time workers are eligible to use the exchanges to buy health coverage through brokers or enroll directly with

insurers. Small businesses have been able to apply for exchange coverage by paper application since Oct. 1.

Individuals have until Dec. 23 to sign up for health coverage that takes effect Jan. 1. Those who have not signed up for insurance by the end of March will have to wait until the 2015 open enrollment period: Nov. 15, 2014 - Jan. 15, 2015.

2013 ALABAMA CENTENNIAL RETAILER

Birmingham Barons

Birmingham

Founded in 1885

Owners: Birmingham Barons LLC



The Birmingham Barons LLC is one of the most historic and celebrated franchises in minor league baseball. 2013 marked its 114th season of baseball in Birmingham and the Barons' 129th year of existence. The Barons' history dates to 1885 when the team was known as the Coal Barons. The team won its first Southern Association championship in 1906. On Sept. 15 of this year, the team won its latest title, the Southern League Championship. BaseballParks.com named Regions Field, which opened April 10, as Ballpark of the Year. The Southern League named the Barons as Organization of the Year and General Manager Jonathan Nelson as Executive of the Year.

Legislature has new members; more slots to be filled

Since April, four new members have joined the Alabama Legislature:

➤ Former Montgomery County Commissioner and restaurateur Dimitri Polizos, R-Montgomery, was sworn in Dec. 5 as the representative for the **House District 74** seat vacated by Rep. Jay Love, R-Montgomery, who now serves as finance chairman for the nonprofit Business and Education Alliance.

➤ Since June 6, Mobile Housing Board executive and book store owner Adline Clarke, D-Mobile, has occupied the **House District 97** seat vacated by the death of Rep. Yvonne Kennedy;

➤ **House District 11** Rep. Randall Shedd, R-Fairview, former director of the Cullman County Commission on Aging, was sworn in April 11 for the seat formerly held by Jeremy Oden, R-Eva, who was appointed to fill an Alabama Public Service Commission vacancy; and

➤ As of April 2, business consultant Bill Hightower, R-Mobile, has occupied the **Senate District 35** seat, which Ben Brooks, R-Mobile, vacated to become a Mobile County circuit judge.

As in 2013, the Alabama Legislature will start its 2014 regular session with three legislative vacancies:

➤ **House District 104:** Rep. Jim Barton, R-Mobile, resigned in August to join Kinney Capitol Group, a governmental affairs and lobbying firm that has a contract with the Alabama Retail Association. Cab company and airport

2014 SPECIAL ELECTIONS CALENDAR

Vacancies exist in Alabama House Districts 31, 53 and 104. If your business is in these districts, make certain these dates are on your calendar and that you are communicating with your employees and customers about the 2014 special elections. For more, see **Elections** in the **Advocacy** section of alabamaretail.org.

Jan. 17	Voter registration deadline for House Districts 31, 53 and 104
Jan. 23	Absentee ballot applications due for three vacant House districts
Jan. 27	Completed absentee ballots due for three vacant House districts
Jan. 28	Primary Runoffs House Districts 31 and 53 House District 104 General Election

March 14	Voter registration deadline for House Districts 31 and 53
March 20	Absentee ballots due for House Districts 31 and 53
March 24	Completed absentee ballots due for House Districts 31 and 53
March 25	House Districts 31 and 53 General Election

Polls open 7 a.m. - 7 p.m.

shuttle service owner Margie Wilcox and Democrat Stephen Carr, a high school music teacher, a children's therapist and a disaster recovery and response expert, will face off Jan. 28 to determine who will replace Barton.

➤ **House District 31:** Rep. Barry Mask, R-Wetumpka, resigned in September to devote his full attention to his job as chief executive of the Alabama Association of Realtors. Mike Holmes, former chairman of the Elmore County Republican Executive Committee, and Ford dealership co-owner Jimmy Collier face each other in the Jan. 28 Republican Party primary runoff. No Democrat qualified to seek the office, but at press time the Secretary of State was evaluating a petition to add a Constitution Party candidate to the March 25 General Election ballot.

➤ **House District 53:** The winner of a Jan. 28 Democratic primary runoff be-

tween attorney Arthur Shores Lee and Anthony "Alann" Johnson, executive director of Leadership Jefferson County, will face Republican real estate broker W.A. "Willie" Casey in the March 25 General Election to fill the seat vacated by the September death of Rep. Demetrius Newton, D-Birmingham. The winner will have to run in a different district in the June/November election cycle as District 53 moves to the Huntsville area under the latest redistricting plan.

The winners of all of the 2013 and early 2014 special elections will have to stand for election again beginning June 3, 2014, with the primary ballot. All 140 legislative seats will be on the ballot in 2014 under a new district map, which the Legislature approved in 2012 and the U.S. Justice Department approved five months later. At press time, a lawsuit challenging the districts as racially discriminatory awaited a ruling by a federal three-judge panel.

13 retailers honored during 2013 Retailer

More than 200 retailers, academics and students gathered Oct. 8, for the 32nd Annual Retail Day to celebrate all things retail. The Alabama Retail Association and the University of Alabama at Birmingham Collat School of Business recognized 13 of Alabama's top retail businesses with locations in 72 Alabama cities as Retailers of the Year or as a Centennial Retailer (See story, **Page 5**). Together, these businesses employ more than 17,000 and have been in business for an average of 52 years. Gov. Robert Bentley declared Oct. 8 as Alabama Retail Day and

Simply Fashion Store Day in honor of our keynote speaker, Rodney Barstein, a founder and the chief operating officer of Simply Fashion. See story **Page 4**.

Retailers of the Year must operate or manage a retail business in Alabama and that business must collect state and local sales taxes. To be a Retailer of the Year, businesses must have been operating for at least five years to qualify. Gold Retailers of the Year can only be recognized once within a sales category. All other winners can be nominated in subsequent years. Once

2013 ALABAMA RETAILER

ANNUAL SALES MORE THAN \$20 MILLION



Jeff Rosenthal, Jan Clevenger and Mark McCutcheon

GOLD AWARD:

Jan Clevenger, Belk Inc., Western Division, Birmingham
"It is terrific for Belk to have a presence in Alabama," said Belk's Western Division Chairman Jan Clevenger. "We are absolutely thrilled to be here."

SILVER AWARD:

Jeff Rosenthal, Hibbett Sports, Birmingham

BRONZE AWARD:

Mark McCutcheon, Golden Flake Snack Foods, Birmingham

ANNUAL SALES \$5 MILLION TO \$20 MILLION



Ken Hubbard, Lucy Buffett, Dale Smith and Darwin Metcalf

GOLD AWARD:

Lucy Buffett, LuLu's, Gulf Shores
"I feel so blessed," said Lucy Buffett, owner of LuLu's in Gulf Shores. "I created a company that I would want to work for, that provides a great experience, great food, great merchandise and great service. ... It is all about the experience at Lulu's. I try to make people happy. That has worked for me."

SILVER AWARD:

Managers and Associates, Western Supermarket – Mountain Brook

EMERGING RETAILER OF THE YEAR

Jen Barnett, Freshfully, Birmingham

"There is a part of retail that is just as important as a local school or community center," said Jen Barnett of Freshfully, Alabama's 2013 Emerging Retailer of the Year. "I don't think kids are going to grow up one day and remember shopping with their Mom on Amazon the way that I remember shopping with my Mom at Pizitz or Watkins Book Shop (in Roebuck) or with my Grandmom at Bargain Town in Oneonta."



Retail Day; 2014 nominations due May 19

Alabama Retail receives a nomination, the nominee is sent a complete entry form to be used in the judging process. **Nominations for the 2014 Retailer of the Year awards are due by Monday, May 19, 2014.**

Since 2012, in memory of the late Alabama Retail board member and UAB professor Mickey Gee, the Gee Emerging Retailer of the Year Award has gone to an innovative and effective Alabama retailer who has been in business for at least two years, but less than five years.

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Knowledge that will change your world

RETAILERS OF THE YEAR

ANNUAL SALES \$1 MILLION TO \$5 MILLION



Dorothy McDaniel, Van Sykes and Georgia Ziglar.

☛ **GOLD AWARD:**

Van Sykes, Bob Sykes Bar B Q Restaurant, Bessemer
"I couldn't accomplish anything without the support of family, community and staff," said Van Sykes, owner of Bob Sykes Bar B Q Restaurant. "Thanks especially to Bob and Maxine Sykes, founders of Bob Sykes Bar B Q, and born retailers."

☛ **SILVER AWARD:**

Dorothy McDaniel, Dorothy's McDaniel's Flower Market, Homewood

☛ **BRONZE AWARD:**

Georgia Ziglar, Ziglar Inc., Troy

ANNUAL SALES LESS THAN \$1 MILLION



From left Barbara Patton representing Stacie Money; Mark Thompson, Deanna Hawkins and Jamie Pursell; Marco, Elan and and Nora Morosini.

☛ **GOLD AWARD:**

Stacie Money, Fringe, Opelika and Auburn

☛ **SILVER AWARD:**

Marco and Elan Morosini, Silvertron Café, Birmingham

☛ **BRONZE AWARD:**

Managers and Employees, Leaf & Petal, Mountain Brook
"Our philosophy this year has really been love," said Mark Thompson, manager of the Mountain Brook Leaf & Petal. "To love our customers, love our employees, love our store and our merchandise. That has really been the heart and soul of our growth."



Want to nominate a Retailer of the Year or Centennial Retailer? Go to **Awards** at www.alabamaretail.org

Learn more about these Retailers in the **News** section of alabamaretail.org

Photos by Hal Yeager Photography, Birmingham

More photos from Retail Day can be found on Alabama Retail's **facebook** page under **2013 Alabama Retail Day**

View UAB COLLAT School of Business photos on **flickr** under **Alabama Retail Day 2013**.

ALABAMA **RETAIL** ASSOCIATION 2014 STATE LEGISLATIVE AGENDA

On Dec. 6, the Alabama Retail Association board of directors approved this legislative agenda for the 2014 regular session of the Alabama Legislature. During the session, Alabama Retail will monitor all bills with the potential to impact retailers. Check your e-mail inbox for weekly updates on legislative action in your weekly Capitol Retail Report. If you are an Alabama Retail member who isn't already on our e-mail distribution list and would like to receive the Capitol Retail Report, send your e-mail to ndennis@alabamaretail.org.

THE ALABAMA RETAIL ASSOCIATION SUPPORTS:

GENERAL BUSINESS

➤ legislation to SIMPLIFY AND STREAMLINE the current BUSINESS LICENSE SYSTEM.

WORKERS'/UNEMPLOYMENT COMPENSATION

➤ legislation designed to REDUCE FRAUD in WORKERS' COMPENSATION and UNEMPLOYMENT COMPENSATION.

➤ finding solutions to medical cost issues, including consideration of CHANGES TO THE WORKERS' COMPENSATION MEDICAL FEE SCHEDULE and evaluation of the NEED FOR AN OUTPATIENT SURGERY FEE SCHEDULE.

TAX

➤ legislation to LEVELIZE SALES/USE TAX collection and remittal between BRICK-AND-MORTAR RETAILERS and those that are INTERNET and/or CATALOG-BASED.

➤ legislation to RAISE the average monthly SALES TAX LIABILITY THRESHOLD for businesses.

➤ creation of the ALABAMA TAX APPEALS COMMISSION as an independent state tax agency headed by a judge with specific training in the area of state and local taxation. This legislation should also abolish the Administrative Law Division of the Alabama Department of Revenue.

➤ the ALABAMA TAXPAYERS' BILL OF RIGHTS II, an updated expansion of landmark legislation first enacted in 1992, which extends the appeal deadlines for taxpayers.



Alabama Retail supports ending the unfair tax advantage Internet and catalog retailers have over hometown, brick-and-mortar retailers.



TO CONTACT MEMBERS OF THE ALABAMA LEGISLATURE

WRITE: Alabama State House, 11 S. Union St., Montgomery, AL 36130

CALL: HOUSE: (334) 242-7600 SENATE: (334) 242-7800

ONLINE: alabamaretail.org/findyourlawmaker/

If you wish to visit with your lawmakers at the Alabama State House, please call ahead for an appointment.

2014 LEGISLATIVE CALENDAR

The Alabama Legislature meets each year for 30 days within 105 calendar days. In a typical week, our Legislature usually convenes Tuesdays and Thursdays for "legislative days," reserving Wednesdays for committee meetings.

Tuesday, January 14:

2014 Regular Session Begins

March 24-28: Legislative Spring Break

(Tentative dates of Alabama Legislature recess.)

Monday, April 28: Sine Die

(Last possible day the Legislature can meet in regular session. It may adjourn earlier.)

GISLATIVE AGENDA

For more on these and other issues, Alabama Retail members can go to [State Issues](#) in the [Advocacy](#) section of www.alabamaretail.org

ALABAMA RETAIL OPPOSES:

GENERAL BUSINESS

➤ EXPANSION OF STATE UNEMPLOYMENT COMPENSATION BENEFITS that result in increased taxes on Alabama business.

➤ “CUSTODIAL TAKING” legislation that pushes unused gift-card balances to the state treasury when those balances go unclaimed.

➤ Restrictions on the normal USE OF CUSTOMER INFORMATION obtained in the regular course of business.

➤ MANDATORY EMPLOYEE BENEFITS AND WAGES.

➤ TAXING OR BANNING PLASTIC BAGS.

LEGAL

➤ legislation to eliminate or restrict CONTRACTUAL ARBITRATION AGREEMENTS.

➤ any changes to the current ELECTION PROCESS FOR APPELLATE JUDGES.

WORKERS’/UNEMPLOYMENT COMPENSATION

➤ any ATTEMPTS TO WEAKEN Alabama’s status as a RIGHT-TO-WORK STATE.

TAX

➤ BAND-AID or QUICK-FIX TAX SCHEMES or singling out one particular industry or segment of business for punitive tax increases. Alabama Retail vehemently opposes any patchwork tax efforts.

➤ required UNITARY COMBINED REPORTING for corporate taxpayers.

PHARMACY/HEALTH

➤ making PSEUDOEPHEDRINE available by PRESCRIPTION ONLY

➤ MANDATORY HEALTHCARE BENEFITS that can further increase the price of healthcare coverage.

➤ MANDATES ON THE PRICE for which retailers can SELL PRESCRIPTION DRUGS.

➤ RESTRICTIONS ON the SUBSTITUTION OF GENERIC or BIOSIMILAR DRUGS and PRODUCTS.



Alabama Retail opposes “custodial taking” of unused gift card balances.

ALABAMA RETAIL WILL MONITOR AND/OR AMEND:

ANY LEGISLATION ON THESE SUBJECTS

➤ changes to the workers’ compensation statute.

➤ electronics (E-waste) recycling.

➤ changes to Alabama’s price-gouging statute.

➤ alterations to taxes paid on groceries.

➤ proposals to move Medicaid to a managed care system.

➤ changes to pharmacy payments by Medicaid.

➤ attempts to implement an Alabama healthcare insurance exchange.

➤ changes to Alabama’s product liability laws.

➤ campaign finance reform proposals.

➤ restrictions to the sale of any products, especially:

- tobacco
- alcohol
- printed or recorded materials
- video games



ALABAMA RETAIL
ASSOCIATION

You can view this agenda online under [Agenda](#) in the [Advocacy](#) section of www.alabamaretail.org

As of Jan. 1, transactions follow new local nexus rule

continued from Page 1

The new regulation creates seller responsibility to collect and remit local sales or use tax by imposing the same standards applicable for determining whether a seller is obligated to collect and remit state-level sales and use tax.

The new rule provides three examples to help retailers determine when their businesses are required to collect and remit local (county and city) sales and use taxes:

• **Retailer A**, a furniture store with its location in the City of Montgomery (Montgomery County), makes sales to customers in Auburn (Lee County) and delivers the furniture sold to Auburn customers into Auburn using its own delivery trucks and its own employees. Because **Retailer A** has a physical presence (delivery trucks and employees) in Auburn (Lee County), it is responsible for collecting and remitting the Auburn and Lee County

sales taxes on its sales delivered into those localities.

• **Retailer B**, a sporting goods store with its location in the City of Birmingham (Jefferson County), makes sales to customers in Gulf Shores (Baldwin County) and delivers the goods sold to Gulf Shores customers into Gulf Shores via UPS, a common carrier. **Retailer B** has no other contact with Gulf Shores or Baldwin County. Because **Retailer B** lacks a physical presence in Gulf Shores (Baldwin County), it is not responsible for collecting and remitting the Gulf Shores or Baldwin County sales tax on its sales delivered into those localities. However, the customer would be responsible for remitting any applicable use tax to Gulf Shores and Baldwin County.

• **Retailer C**, a janitorial supply store with its location in the City of Mobile (Mobile County) and with salesmen soliciting sales in the City of Huntsville (Madison County), makes sales to

Huntsville customers and delivers the supplies sold to Huntsville customers into Huntsville via UPS, a common carrier. Because **Retailer C** has a physical presence (salesmen) in Huntsville (Madison County), it is responsible for collecting and remitting the Huntsville and Madison County sales taxes on its sales delivered into those localities.

State sales tax would still have to be collected and remitted in all of the above examples. Local sales tax rates will be available via an iPhone app and on the Revenue Department's website by Jan. 1.

Remitting sales and use taxes became much easier as of Oct. 1

when the state activated its ONE SPOT system. If you haven't yet explored how going to ONE SPOT to remit state and local taxes can save you time and hassle, go to



revenue.alabama.gov/salestax/one_spot.cfm

Subcommittee focuses on retail products for business license reform

continued from Page 1

on the type of business (occupational), some are regulatory and others originate with the product being sold. Local governments also can require businesses to buy licenses to operate.

The Business License Reform Subcommittee, chaired by Sen. Slade Blackwell, R-Mountain Brook, wants to decrease the types of business licenses issued by the state. The original goal is to eliminate any license that relates strictly to the type of product sold. Right now, Alabama retailers have to buy separate licenses if they sell soft drinks, calculators, playing cards, magic equipment, radios, glass and animal hides among many other items. For instance, each grocery or convenience store may be required to have to up to 15 different licenses, depending on the product assortment available at that store.

The goal is to develop one, flat-fee retail products license that will be revenue neutral for both state and county revenues. Revenue generated from state business licenses is split evenly between the state and county governments. Initial estimates are that the flat rate license would need to be in the \$65 to \$75 range.

The committee also has discussed including a mechanism in the legislation to adjust the rate for the license after one year if it doesn't generate the same level of revenue as does the current hodgepodge of product-based licenses or if the rate produces more revenue than is currently being generated.

The reform being discussed also includes an online filing system to be implemented in phases sometime after the retail product license has been implemented. An advisory committee would be created immediately to start looking

at the specifics of system design, operation and function.

The subcommittee has agreed to exclude counties with their own licensing systems provided by local law from the changes being discussed in this reform effort.

While the subcommittee also has opted not to reform business licenses required by municipalities in this effort, members expressed a desire to develop an advisory group to look specifically at municipal business licenses for future reform.

Blackwell, who originally sponsored a business license reform bill in the 2013 regular session, and Rep. Terri Collins, R-Decatur, the House sponsor, both said the subcommittee's work is moving business license reform in a positive direction for the first time since the Legislature first began discussing such reform in 1996.

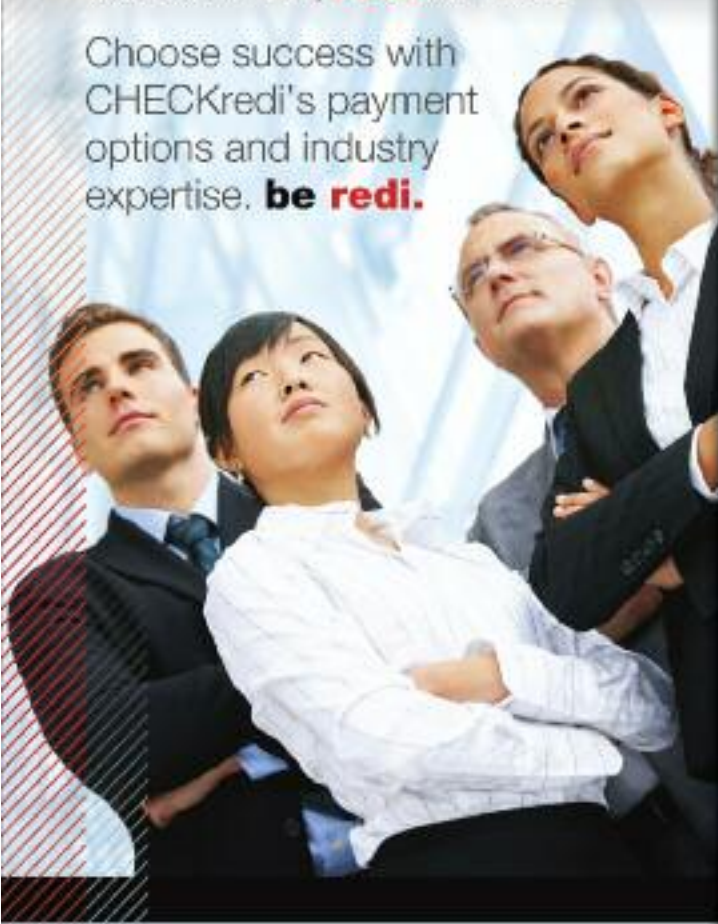
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Traditional Check Collections

CHECKredi's Check Collection service offers 100% face value reimbursement on all collected checks every 15 days. Our Check Collection service is Ready for YOU!

Returned Check Consolidation (RCC)

CHECKredi's Returned Check Consolidation (RCC) service will substantially reduce your bank fees while maintaining your existing banking account(s) and relationships.

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CHECKredi's School program offers guaranteed cash for bad checks, ACH processing, and online credit card approvals. Whether your school has one account or multiple accounts, our reporting and online services are customized to meet your needs to ensure easy reconciliation processing.

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Accounts Receivable Conversion (ARC)

CHECKredi's Accounts Receivable Conversion (ARC) service converts a paper check, received in the mail or at a payment location, into an electronic check. The check is then converted into an Electronic Funds Transfer. CHECKredi's ARC Service includes both Internet- and PC-Based Solutions.

Back Office Conversion (BOC)

CHECKredi's Back Office Conversion allows you to accept checks at the point-of-sale as normal but enables you to convert them into an electronic transaction for deposit in the comfort of your own office 24/7. Eliminate bank fees, unnecessary trips to the bank, and returned checks. This product is great for grocery stores, retail stores, or anyone who takes a high volume of checks and does not want to slow down their customers at the cash register.

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CHECKredi's Automated Recurring Payments service replaces the traditional method of billing and collection by offering you the ability to automatically debit the customer's account when it is time to pay. You can schedule payments one time, weekly, bi-weekly, monthly, quarterly, biannually, or annually. This product is great for rent-to-own companies, apartment complexes, gyms, and companies that sign contracts with their customers to pay a flat rate at a fixed time.

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CHECKredi's Telephone Check service electronically debits your customer's bank account for your one-time billing instantly. No more waiting for checks in the mail. This is an Internet-based application that guides your employees step-by-step through the process of taking a check over the phone. Integration is as easy as opening a web-browser and accessing the CHECKredi website.

Take Checks Over the Internet

CHECKredi's Internet Check service integrates quickly and easily into any website. Customers are presented with a simple, secure "check like" interface that shows them how to find and input their bank account information. Your company is notified instantly when a check payment is received.

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Participants to get largest return ever; \$6.5M+ marks decade of return growth



Alabama Retail Comp will return more than \$6.5 million to qualified participants in 2014, an amazing **20 percent more than last year's return**. The retrospective return is the largest in the fund's 29-year history and represents the 10th straight year of return growth.

The 2014 retro-return will be distributed to participants as a credit on their premium contribution for 2014. The annual return can represent as much as a 20 percent to 30 percent credit toward a participant's contribution.

"We are pleased to once again bring some good economic news to our members by providing this retro return, which will help lower the costs of doing business," said Rick Brown, the fund's administrator and the association's president.

RETROSPECTIVE RETURN DISTRIBUTION FOR 2014

ARC's \$6.5 million-plus retrospective return for 2014 will be distributed from fund years as follows:

2012	\$1,000,000
2011	\$1,000,000
2010	\$1,000,000
2009	\$1,000,000
2008	\$500,000
2007	\$500,000
2002-2006	\$1,589,290
Total 2014 Return	\$6,589,290

Since its inception in 1984, ARC has returned MORE THAN \$57 MILLION – 21 percent of all premiums collected – to its participants through its retrospective return plan. The plan provides a controlled method for the fund to return excess funds accumulated due to favorable operating experience. The retrospective rating plan uses an actuarial formula that takes into account individual participants'

experience versus the experience of the fund as a whole. The amount of credit a participant receives is tied directly to the business's loss ratio. Lower losses mean a higher retrospective credit at renewal. This acts as an incentive for participants to provide a safe work environment.

Alabama Retail Comp, the state's most stable, cost-effective workers' compensation insurance program for retailers, is regulated by the Alabama Department of Labor and governed by a board of trustees who are fund participants. Almost 4,000 ARA members participate in the fund.

ARC specializes in the retail industry, but also provides coverage to an array of business employers.

Fund Manager Mark Young said, *"At ARC, our goal is simple: To provide the most cost-effective workers' compensation coverage to Alabama businesses with unparalleled customer service."*