

APA-1  
11/96

**TRANSMITTAL SHEET FOR  
NOTICE OF INTENDED ACTION**

Control 810 Department or Agency REVENUE

Rule Nos. 810-8-5-19

Rule Title: Suspension of Iron Ore Severance Tax

XX New; \_\_\_\_\_ Amend; \_\_\_\_\_ Repeal; \_\_\_\_\_ Adopt by Reference

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety? No

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare? Yes

Is there another, less restrictive method of regulation available that could adequately protect the public? No

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved and, if so, to what degree? No

Is the increase in cost, if any, more harmful to the public than the harm that might result from the absence of the proposed rule? N/A

Are all facets of the rulemaking process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? Yes

\*\*\*\*\*  
Does the proposed rule have any economic impact? Yes

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

\*\*\*\*\*  
Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975 and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Reference Service.

Signature of certifying officer 

Date 6/20/14

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**ECONOMIC IMPACT STATEMENT  
FOR APA RULE  
(Section 41-22-23(f))**

Control No. 810 Department or Agency REVENUE

Rule No: 810-8-5-19

Rule Title: Suspension of Iron Ore Severance Tax

New  Amend  Repeal  Adopt by Reference

- NO This rule has no economic impact.  
 YES This rule has an economic impact, as explained below:

1. **NEED/EXPECTED BENEFIT OF RULE:**  
This Rule will eliminate the burden of the taxpayer having to file the return and submit minimal amounts for the iron ore severance tax and ADOR's administrative burden for this tax return.
2. **COSTS/BENEFITS OF RULE AND WHY RULE IS THE MOST EFFECTIVE, EFFICIENT, AND FEASIBLE MEANS FOR ALLOCATING RESOURCES AND ACHIEVING THE STATED PURPOSE:**
3. **EFFECT OF THIS RULE ON COMPETITION:**  
N/A
4. **EFFECT OF THIS RULE ON COST OF LIVING AND DOING BUSINESS IN THE GEOGRAPHICAL AREA WHERE THE RULE IS TO BE IMPLEMENTED:**  
N/A
5. **EFFECT OF THIS RULE ON EMPLOYMENT IN THE GEOGRAPHICAL AREA HERE THE RULE IS TO BE IMPLEMENTED:**  
N/A
6. **SOURCE OF REVENUE TO BE USED FOR IMPLEMENTING AND ENFORCING THIS RULE:**  
N/A
7. **THE SHORT-TERM/LONG-TERM ECONOMIC IMPACT OF THIS RULE ON AFFECTED PERSONS, INCLUDING ANALYSIS OF PERSONS WHO WILL BEAR THE COSTS AND THOSE WHO WILL BENEFIT FROM THE RULE:**

See Item #1.

8. **UNCERTAINTIES ASSOCIATED WITH THE ESTIMATED BENEFITS AND BURDENS OF THE RULE, INCLUDING QUALITATIVE/QUANTITATIVE BENEFITS AND BURDEN COMPARISON:**  
N/A
9. **THE EFFECT OF THIS RULE ON THE ENVIRONMENT AND PUBLIC HEALTH:**  
N/A
10. **DETRIMENTAL EFFECT ON THE ENVIRONMENT AND PUBLIC HEALTH IF THE RULE IS NOT IMPLEMENTED:**  
N/A
11. **OTHER COMMENTS:**  
The Department's average collection costs for FY2010-FY2012 were \$7,910 whereas the average collections for the same period were less than \$200.

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**ALABAMA DEPARTMENT OF REVENUE  
Business & License Tax Division**

**NOTICE OF INTENDED ACTION**

**RULE NO. & TITLE**

810-8-1-.25.02                      Permit Issued to Pay Lubricating Oil Tax Directly to the  
Department of Revenue

**INTENDED ACTION:**        Adopt new rule

**SUBSTANCE OF PROPOSED ACTION:** The department proposes to adopt the above rule to correct code section references.

**RULE NO. & TITLE**

810-8-1-.02                      Application of Excise Tax on Blendstocks

**INTENDED ACTION:**        Adopt new rule

**SUBSTANCE OF PROPOSED ACTION:** The department proposes to adopt the above rule to clarify the point at which the excise tax will apply for blendstocks.

**RULE NO. & TITLE**

810-8-5-.19                      Suspension of Iron Ore Severance Tax.

**INTENDED ACTION:**        Adopt new rule

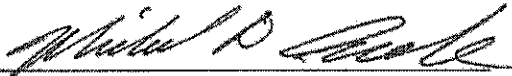
**SUBSTANCE OF PROPOSED ACTION:** The department proposes to adopt the above rule to comply with the provisions of Act 2014-331.

**TIME, PLACE, MANNER OF PRESENTING VIEWS:** A public hearing will be held at 3:30 p.m. on Wednesday, August 6, 2014, Room 1203, First Floor, Gordon Persons Building, located at 50 N Ripley Street, Montgomery, Alabama. Copies of the rule(s) can be obtained at [www.revenue.alabama.gov/rulehear.html](http://www.revenue.alabama.gov/rulehear.html).

All interested parties may present their views in writing to the **Secretary of the Alabama Department of Revenue, Room 4131, Gordon Persons Building, 50 N Ripley Street, Montgomery, Alabama 36132** at any time during the thirty-five (35) day period following publication of the notice or by appearing at the hearing.

**CONTACT PERSON AT AGENCY:**

Patricia Toles  
Alabama Department of Revenue  
4131 Gordon Persons Building  
Montgomery, Alabama 36132  
(334) 242-1380



Michael D. Gamble, Secretary  
Alabama Department of Revenue

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810-8-5-.19 Suspension of Iron Ore Severance Tax. (NEW RULE)

(1) Act 2014-331 was signed into law on April 7, 2014 and becomes effective on July 1, 2014. In accordance with Section 40-1-49, Code of Alabama 1975, as created by this Act, the Department of Revenue, by administrative rule, shall suspend the collection of a tax or fee when the cost of administering the collection of the tax exceeds the total amount of the tax collected for the previous three fiscal years.

(a) Sections 40-12-128 through 40-12-130 provides for a privilege license tax on iron ore mining within Alabama.

(b) Based upon a review of the collections of the Iron Ore Severance Tax for fiscal years 2011-2013, the annual administrative costs exceed the three-year average revenue collections for this tax. Therefore, this tax meets the suspension requirements established in the Act.

(c) Through the adoption of this rule, the Department of Revenue exercises its authority to suspend the collection of the Iron Ore Severance Tax levied in Sections 40-12-128 through 40-12-130.

(d) The effective date of this suspension shall be October 1, 2014.

(e) The September 2014 return which is due by October 20, 2014 shall be the final return submitted for the iron ore severance tax.

(f) Upon implementation of this rule, the Department shall notify all affected parties in writing.

Author: Alisa Johnson

Authority: Sections 40-2A-7(a)(5) and 40-1-49, Code of Alabama 1975

History: