

TRANSMITTAL SHEET FOR
NOTICE OF INTENDED ACTION

Control 810 Department or Agency REVENUE

Rule Nos. 810-7-1-.30

Rule Title: Suspension of the Playing Cards 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 11/18/14

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10/96

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

Control No. 810 Department or Agency REVENUE

Rule No: 810-7-1-.30

Rule Title: Suspension of the Playing Cards 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 passage of this Rule will eliminate the burden of the taxpayer having to submit orders for \$0.10 playing cards stamps and ADOR's administrative costs for collecting the tax, purchasing, storing and issuing the stamps .
2. **COSTS/BENEFITS OF RULE AND WHY RULE IS THE MOST EFFECTIVE, EFFICIENT, AND FEASIBLE MEANS FOR ALLOCATING RESOURCES AND ACHIEVING THE STATED PURPOSE:**
N/A
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 #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 collections for FY2011-FY2013 were \$78,748 whereas the average associated costs for the same period were \$120,698 resulting in an average difference of \$41,950.

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11/96

ALABAMA DEPARTMENT OF REVENUE
Business & License Tax Division

NOTICE OF INTENDED ACTION

RULE NO. & TITLE

810-7-1-.30 Suspension of the Playing Cards Tax

INTENDED ACTION: Adopt new rule

SUBSTANCE OF PROPOSED ACTION: The department proposes to adopt the above rule to suspend the collection of the playing cards tax pursuant to Act 2014-331.

RULE NO. & TITLE

810-7-1-.29 Procedures for Retail Dealers and Semijobbers Providing Electronic Duplicate Invoices for Tobacco Products Purchased from Without the State

INTENDED ACTION: Amend rule

SUBSTANCE OF PROPOSED ACTION: The department proposes to adopt the above rule to establish guidelines and procedures for retail dealers and semijobbers when providing electronic duplicate invoices for tobacco products purchased outside the State of Alabama.

TIME, PLACE, MANNER OF PRESENTING VIEWS: A public hearing will be held at 2:00 p.m. on Wednesday, January 7, 2015, Room 1203, First Floor, Gordon Persons Building, located at 50 N Ripley Street, Montgomery, Alabama. Copies of the rule(s) can be obtained at ww.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.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:
Wednesday, January 7, 2015

CONTACT PERSON AT AGENCY:

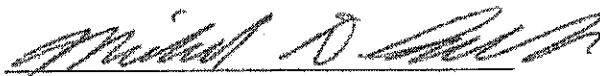
Patricia Toles

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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810-7-1-.30 Suspension of the Playing Cards Tax. (NEW RULE)

(1) Act 2014-331 was signed into law on April 7, 2014 and became 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 each of the previous three fiscal years.

(a) Title 40, Chapter 12, Article 2, Section 144 provides for a privilege license tax on playing cards sold within Alabama.

(b) Based upon a review of the collections of the Playing Cards Tax for fiscal years 2011-2013, the annual estimated administrative costs exceed the collection cost for this tax. Therefore, this tax meets the suspension requirements established in the Act.

(a) The Department of Revenue is prohibited in suspending the tax in the following cases:

(i) If the tax is mandated by a federal law or administrative rule.

(ii) If discontinuing the collection of such tax will result in reduced federal funding.

(iii) If discontinuing the collection of the tax will result in reduced state and local revenues that exceed the costs of administering the tax.

(iv) If suspending this tax will negatively affect the health, safety or welfare of the state.

(b) Suspension of the playing cards tax collections do not fall within these restrictions.

(3) Through the adoption of this rule, the Department of Revenue exercises its authority to suspend the collection of the Playing Cards Tax levied in Title 40, Chapter 12, Article 2, Section 144.

(a) The effective date of this suspension shall be April 1, 2015.

(b) March 31, 2015 shall be the final date for taxpayers to purchase playing cards tax stamps to be affixed to decks of playing cards.

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

(4) Persons in possession of playing cards stamps on or after April 1, 2015 who wish to apply for a refund may do so under the following conditions:

(a) Complete form B & L:RP – Petition for Refund and return it along with the proper documentation to the Tobacco Tax Section.

(b) Return unused playing cards stamps in their original condition.

(c) Provide copy of purchase invoice for stamps purchased.

(d) Per the provisions of Section 40-2A-7(c), the refund must be for playing cards stamps obtained directly from the Alabama Department of Revenue within two years from the date of purchase.

(e) Refund requests which are unable to be verified within the office are subject to a field review.

(5) Refunds will only be allowed to those entities who purchased the playing cards tax stamps from the Alabama Department of Revenue and when sufficient documentation is provided to substantiate payment of all required taxes.

Author: Alisa Johnson

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

History: