

# The CROAA *d*visor

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**President**

Keith Crawford  
Jefferson County  
crawfordk@jccal.org  
(205) 325-8796

**Vice-President**

Janice Stewart  
Mobile County  
jstewart@mobile-county.net  
251-574-4925

**Secretary/Treasurer**

Marcia Sizemore  
Jefferson County  
sizemorem@jccal.org  
(205) 325-5181

**Interested in becoming a member? Please contact any of the above officers for membership information.**

## Important Dates

**Feb 1 - May 16, 2005**

Regular session of the Alabama Legislature

**April 19-20, 2005**

County Day at the Legislature  
Alabama Activity Center  
Montgomery, AL

**May 21-24**

Alabama League of Municipalities Convention  
Huntsville, AL  
(334) 262-2566

**August 20-23**

ACCA Convention  
Perdido Beach Resort,  
Orange Beach, AL  
(251) 981-9811

## Legislative Update

**By: Sonny Brasfield - Assistant Executive Director - Assoc. of County Comm. of Alabama**

“Count me out, count me in; I’ll be bouncing back again.”

The rock group Bon Jovi wasn’t thinking about tax collection and enforcement in Alabama when it used those words in the chorus of one of its lesser-known songs. But the words sure seemed to fit while reading a copy of an old piece of legislation that surfaced near the end of this year’s regular legislative session.

Many “old timers” will remember an effort a few years ago to create an Alabama Tax Court, which would hear disputes between taxpayers and those charged with enforcing Alabama’s tax laws. Initially, the Association was adamantly opposed to the legislation because, among other things, we felt that “appointed” judges should not make rulings on local tax issues.

But after several meetings with the bill’s supporters, a number of changes were made and we were a bit more comfortable – although not really excited about the legislation. Once those meetings were concluded a few years ago, they disappeared almost as quickly as it had come over the horizon.

We had assumed that those who were supporting the change had “changed” their minds. Right now, such disputes are addressed by an “administrative law judge” who is employed by the Alabama Department of Revenue. And, as far as we know, this system has worked well.

But a couple of weeks ago, we received an e-mail that the tax court concept had gotten a rebirth and that those who had worked on the legislation a few years ago were “bouncing back again.” Apologies to Bon Jovi.

The reborn version of the bill was introduced late in the 2005 regular legislative session and included ALL the changes requested by the Association years ago as well as some suggestions offered before this new version was filed.

The major concession made to counties revolves around several statements in the bill that limits the jurisdiction of this tax court to only those taxes collected by the Alabama Department of Revenue. Stated another

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**LEGISLATIVE UPDATE** (Cont from page 1)

## President’s Note

The County Revenue Officer’s Association board meeting was held February 25, 2005 at 10:30AM with the hope to clear up problems with two major topics, Continuing Education and Education requirements. This determination has now been handed over to the Education Committee and our goal is to track courses and curriculum offered by UPACE. Once we achieve this goal the ACCA or UPACE will take over this task of maintaining our accreditation requirements.

CROA will maintain the three mandated

courses for our basic curriculum and two elective course approved by the Education Committee. The Education Committee will notify each member of their current credits and of remaining requirement for certification. Membership will also be notified of continuing education status. The Board of Directors was advised by the Education Committee to leave Auburn University’s Center for Governmental Studies, suggesting a change to UPACE as

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way, the bill includes language that says this court cannot rule on any dispute between a taxpayer and a self-collecting county.

We believe such disputes are better resolved at the local level and that this tax court should not rule on questions that do not involve either a state-levied tax or a local tax that is collected by the Alabama Department of Revenue.

The 2005-version of the bill was the subject of a public hearing in late April and was delayed when the committee failed to have a quorum when it came time to vote on

an amendment requested by the Association. This delayed probably killed the bill for this session; however, we assume that it will bounce back again in the next session.

At this point, county revenue officers need to read the legislation very closely. The supporters of the bill appear willing to accept any other reasonable changes we might want in order to ensure the tax court cannot rule or influence taxes collected by counties or private companies. So, if we have other "wishes" we need to get those together before the 2006 version of this old idea bounces back, again.

## Surfing USA

**AICPA - Sales and Use Tax:** <http://www.aicpa.org/yellow/yptstax.htm>

This site provides a link to each State's sales and use tax homepage.

**The Nelson A. Rockefeller Institute of Government:** <http://www.rockinst.org/>

An excellent source of information concerning the fiscal health of state and local governments. Additional research in the areas of Welfare and Jobs, Religion and Social Policy, and Higher Education can also be found.

**Findlaw:** <http://www.findlaw.com/casecode/state.html>

The site for legal professionals. Research case law and code sections from every state.

**Internal Revenue Service - Sales Tax Deduction:** <http://www.irs.gov/newsroom/article/0,,id=134768,00.html>

For the first time those taxpayers who itemize their income tax return may claim a deduction for state and local sales taxes paid during the year instead of state and local income taxes. Type in the link to find out more. Perhaps this may help in doing Consumer's Use tax audits of Sole Proprietorships and/or individuals.

## Educational Class Offerings

The following classes are being offered by the Center for Governmental Services at Auburn University. For more information about these and other class offerings, contact CGS at 1-800-446-0376, or visit them online at <http://www.auburn.edu/outreach/cgs/cre.htm>

May 6, 2005

*ALTIST CRE 2005 Update*  
Auburn (8 hours)

May 11-13, 2005

*CRE IV: Examination Tools and Techniques*  
Birmingham (20 hours)

June 9-10, 2005

Revenue and the County  
Auburn, AL (12 hours)

July 15, 2005

*CRE: Special Issues for Sales & Use Tax Examination*  
Birmingham (8 hours)

September 9, 2005

*ALTIST CRE 2005 Update*  
Auburn (8 hours)

## ACCA/CROAA Annual Convention Update

Alabama is no stranger to devastating hurricanes. Since 1900 Alabama has been significantly affected by 10 major hurricanes. The latest being Hurricane Ivan that came ashore the Alabama Gulf Coast on September 16, 2004. Considerable damage was done to the area with damage estimates being in the range of \$5-\$15 billion dollars.

One area that was hard hit was the Perdido Beach Resort. The Resort has hosted numerous ACCA Annual Conventions in the past and was scheduled to be the 2005 host. Well after months of cleanup and reconstruction the Resort reopened this past March and will once again be the host to the ACCA Annual Convention.

This years convention is scheduled for August 20-23. For those CROAA members attending, we will once again be offering an educational program . . . Details to come. As well we will be conducting a business meeting that is sure to cover current issues affecting the organization

To make your reservations to attend you can contact the resort directly at (251) 981-9811 or go online to the ACCA's website ([www.acca-online.org](http://www.acca-online.org)) and follow the links to the convention homepage.

## **PRESIDENT'S MESSAGE** *(Cont from page 1)*

an exciting alternative. UPACE is eager to work closely with our Education Committee in developing CROA classes that are tailor made to meet our ever changing needs and to keep us informed with the ever changing laws of our state. UPACE is a cooperative effort of three universities located throughout the state which will enable us to provide classes that are more convenient for our membership.

The Board of Directors has provided relief by extending our deadline to receive continuing education until classes can be arranged. As set forth in our by laws, 20 hours of

continued education is required every 2 years following certification. The continuing education must be acquired to maintain certification. CROA was forced to make this extension due to the time laps between changing education institutions. The Education Committee must be applauded for this bold move, and we believe that this action will allow the CROA education and certification program the recognition our organization had lacked in the past. CROA should have the ability to grow beyond our dreams and opened the doors that will allow our members the opportunity to acquire continuing professional education through a variety of means while making everlasting professional relationship.

## **?? DID YOU KNOW ??**

There are currently 12 states plus the District of Columbia, that offer a sales tax holiday. They are Connecticut, Florida, Georgia, Iowa, Massachusetts, Missouri, New York, North Carolina, South Carolina, Texas, West Virginia, and Vermont.

The state of Massachusetts has the shortest holiday - 1 day, while the state of Connecticut and the District of Columbia have the longest - 9 days each.

Each holiday typically coincides with students going back to school. Florida had the earliest start date in 2004 - July 24, while New York had the latest - August 31.

The District of Columbia and Vermont have two sales tax holidays per year. DC's second is held from late November to early December. Vermont's is held in early October.

Exempt items vary from state to state. West Virginia has 88 items listed as non-taxable. A sample items include adult diapers, jackets, lingerie, shirts, shoes and ties. A sample of North Carolina reveals that shirts, shoes, and gloves under \$100 are non-taxable, those above are taxable.

The state of Alabama does not currently have a sales tax holiday.

Source: <http://www.bankrate.com/brm/itax/state/20020729b.asp>

## **SHELBY COUNTY—Online Filing Is Here**

**By: Butch Burbage - Finance Manager - Shelby County**

“To Be or Not To Be, That IS The Question...” I hope Mr. Shakespeare won't hold anything against me for applying this famous line to our project. This thought crossed my mind several times over the last five months as we worked to get our internet tax collection site up and running through the Alagov.com portal. It has taken a good deal of time and effort but I believe all of our work has paid off. We launched our web site the first week of March. We expect limited use this first month with April being the first full test.

There have been several stumbling blocks along the way. Everyone should remember that the Alagov site has been up and running for some time. We had to perform some significant programming to our internal system to accept

downloads from this web portal. We also had to work with the OMG staff to set up some files and capture the information we wanted. Finally, it requires coordination with three separate entities - Alagov, ACH Direct and your internal system - to complete the process. All of this takes time, effort and patience with patience a key factor.

In the end (or should I say the beginning) I believe all our efforts will be rewarded. I can tell you for sure that we've picked up several new filers in just the short time our site has been operational. I stand behind our decision to go with the Alagov option. I believe it gives us the greatest flexibility and control over this process. I'll provide a follow up for the next news letter. In the meantime, please feel free to contact me for more information.

## County Revenue Officers Association of Alabama

c/o Association of County Commissions of Alabama  
100 North Jackson Street  
Montgomery, AL 36104

### INTERNET FACT

Fourth quarter 2004 e-commerce sales increased 22.3% from the fourth quarter 2003. Total retail sales increased 8.3% for the same period.

E-commerce sales in the 4th Quarter 2004 accounted for 2.2% of total sales, while in the 4th quarter 2003 e-commerce sales were 2.0% of total sales.

E-commerce sales for 2004 accounted for 1.9% of total sales, while in 2003 e-commerce sales were 1.6% of total sales.

The Census Bureau will be releasing its figures for the first quarter 2005 on May 20, 2005 and second quarter figures on August 19, 2005

Source: The Census Bureau of the US Department of Commerce - 05/21/04

### COUNTY TAX COLLECTIONS

A comparison analysis of:

1st Quarter 2004 vs. 1st Quarter 2003 - (October, November, December)  
2nd Quarter 2004 vs. 2nd Quarter 2003- (January, February, March)

<u>COUNTY</u>	Q1 2005	Q2 2005
	versus Q1 2004	versus Q2 2004
Baldwin	20.62 %	31.23%
Cullman	3.85 %	6.56 %
Jefferson	4.33 %	6.89 %
Madison	6.00 %	7.00 %
Mobile	11.37 %	18.23 %
Morgan	(1.10 %)	2.89 %
Shelby	13.77 %	n/a
St. Clair	8.39 %	3.74 %
Tuscaloosa	12.18 %	6.61 %