



Baldwin County Commission

Legislation Text

File #: 18-1045, **Version:** 1

Meeting Type: BCC Regular Meeting

Meeting Date: 10/2/2018

Item Status: New

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ITEM TITLE

Recognition of Senator Trip Pittman for his Sponsorship of Act. 2018-539 Simplified Sellers Use Tax Remittance

STAFF RECOMMENDATION

Baldwin County would like to recognize and thank Senator Trip Pittman for his untiring commitment and support of county government with the passage of Act 2018-539 and subsequent protection and enhancement of the Simplified Sellers Use Tax Remittance (SSUT).

Ms. Kim Creech, Baldwin County Clerk/Treasurer, will come before the Commission to discuss SSUT revenues collected, inception to date, and other benefits to county government through this program.

BACKGROUND INFORMATION

Previous Commission action/date: N/A

Background: Since its inception in 2015, the Simplified Sellers Use Tax (SSUT) program has provided a streamlined method for online retailers with no physical presence in Alabama to collect and remit a flat 8% tax on items delivered into Alabama - with 50% going to the State and the remaining 50% split between counties and municipalities.

Act 2018-539, sponsored by Sen. Trip Pittman, both protected and enhanced the momentum of the SSUT program.

This Association of County Commissions of Alabama (ACCA) priority legislation made two significant changes to the Simplified Sellers Use Tax (SSUT) program that are expected to significantly increase state and local government revenues from the program.

The law now permits online retailers to remain in the program even if they purchase a smaller, in-state affiliate organization. This change will ensure all counties continue to receive money from the SSUT program.

The second change requires program participants to collect and remit sales tax revenue on products sold through the platforms by third-party companies. This change is expected to significantly increase the overall revenue from the SSUT program and further level the playing field for local vendors, as these third-party companies did not previously collect sales tax on their sales.

The enactment of these new provisions together is expected to yield counties an additional \$60M in revenue over the next five years. The law became effective June 1, 2018.

FINANCIAL IMPACT

Total cost of recommendation: N/A

Budget line item(s) to be used: N/A

If this is not a budgeted expenditure, does the recommendation create a need for funding?
N/A

LEGAL IMPACT

Is legal review necessary for this staff recommendation and related documents?
N/A

Reviewed/approved by: N/A

Additional comments: N/A

ADVERTISING REQUIREMENTS

Is advertising required for this recommendation? N/A

If the proof of publication affidavit is not attached, list the reason: N/A

FOLLOW UP IMPLEMENTATION

For time-sensitive follow up, select deadline date for follow up: N/A

Individual(s) responsible for follow up: N/A

Action required (list contact persons/addresses if documents are to be mailed or emailed):
N/A

Additional instructions/notes: N/A