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NOTICE

Tax Guidance for Entities Having a Statutory Exemption from the Payment of Sales, Use, and Lodgings Taxes

Legislative Act 2015-534 requires all persons or companies, including but not limited to those cited in Title 40, Chapter 9, other than governmental entities, which have a statutory exemption from the payment of Alabama sales, use or lodgings tax to annually obtain a certificate of exemption, Form STE-1, from the Department of Revenue, regardless of the type of transaction or whether the tangible personal property is subject to sales and use tax or whether the accommodations are subject to lodgings tax.

For purposes of this Act, the term “governmental entity” means the Federal Government, the State of Alabama, Alabama public schools, Alabama public universities, healthcare authorities, Alabama counties and municipalities, and public corporations incorporated under any of the provisions of Chapter 50 of Title 11, Chapter 50A of Title 11, Chapter 5 of Title 37, or Chapter 7 of Title 39.

Act 2015-534 was effective as of August 19, 2015 and became operative for all applicable exempt persons or companies on January 1, 2016. Those persons or companies subject to the provisions of this act may apply for, and secure, a certificate of exemption so that their exemption is properly documented. On January 1, 2016, vendors were required to have the certificate on file in order to make tax-exempt sales or lodgings to companies or entities subject to the provisions of the Act.

Certificates of exemption are valid for one year from the date of issuance and shall be renewed annually each subsequent year before the end of the month in which the certificate expires. **Any person or company who fails to obtain or renew a certificate of exemption prior to its expiration may not make tax exempt purchases or rent tax exempt accommodations after the expiration.**

All persons or companies required to obtain a certificate of exemption under the provisions of Act 2015-534 may be required to file an annual informational report with the Department in a manner prescribed by the Tax Exemption Advisory Council established by Executive Order 12, issued by the Governor on August 19, 2015.

An application for a certificate of exemption may be downloaded from our website at <https://revenue.alabama.gov/wp-content/uploads/2017/05/stexa1se.pdf> or requested by contacting our office at (334) 242-1490. Completed applications may be emailed to STExemptionUnit@revenue.alabama.gov, faxed to our Exemption Unit at (334) 353-7867, or mailed to the Alabama Department of Revenue, Sales and Use Tax Division, Exemption Unit, P. O. Box 327710, Montgomery, AL 36132-7710.

For additional information concerning this guidance, taxpayers may contact Vince Arnold at 334-353-9680 or by email at vince.arnold@revenue.alabama.gov.