



Handbook of Privilege and Store Licenses

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Instructions on How to Use the Handbook

- This handbook was prepared to assist business owners/operators as well as county licensing officials in determining the appropriate business privilege license(s) required per Title 40, Chapter 12, Code of Alabama 1975. "Code Sections" for each business type are based upon the last two or three digits of the Alabama Code. For example, a Section 40-12-51 or "Section 51" license refers to an automobile dealership license. State/county business privilege licenses are purchased at the local county probate or county revenue offices.
- Begin by determining the type of business that you will be operating and/or the type of product that will be offered for sale. Not all businesses require a state/county business privilege license.
- In addition to a state/county business license, business owners/operators should check with the municipality where the business is located, or where products are delivered, to determine if a municipal business license(s) is required.
- Refer to the Quick Reference Guide to find the code section(s) for your type of business.
- Multiple license sections may be required based upon your business operation. For example, if operating a restaurant, a Section 40-12-151 restaurant license, a Section 40-12-69 beverage license, and a Section 40-12-315 store license, may be required.
- Most business license fees are based on the municipal population per the most recent U.S. Census, while others are based upon the number of employees, capital invested, etc. For your convenience, the total due for both the state and the county portions of the license fees have been calculated and are shown as one amount in the handbook.
- Some code sections are followed by interpretations, which offer additional information concerning the application of the code section.
- Certain persons, such as disabled veterans or veterans of certain wars, may be entitled to an exemption from a portion of the business license fee. Information may be found in the General License Provisions and Exemptions Section.
- The last section of the handbook is dedicated to Store Licenses which may be found in Title 40, Chapter 12, Article 6, Code of Alabama 1975, as amended.
- **Licenses must be renewed each year by October 31, or a 15 percent penalty plus interest will be applied. Renewal notices may be issued by some counties; however, they are not mandated by law.**

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Article 1

GENERAL PROVISIONS

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§40-12-1 **Change of Place of Business**

When a person has obtained a license to engage in or carry on any business, employment, or profession at any definite place in the county or city in Alabama and desires to remove to any other place within the same county or city where the license was granted and wishes his license altered accordingly, the probate judge who originally issued such license shall make such alteration, which alteration shall be shown on the license records of the probate judge's office; provided, that no license shall be altered to change a place of business to a location requiring a higher license than originally paid.

§40-12-2 **Issuance; Form of License; Levy of County Tax; Actions for Recovery of Tax**

- (a) Before any person, firm, or corporation shall engage in or carry on any business or do any act for which a license by law is required, he, they, or it, except as otherwise provided, shall pay to the judge of probate of the county in which it is proposed to engage in or carry on such business or do such act, or to the commissioner of licenses or the State Department of Revenue, as specified, the amount required for such license and shall comply with all the other requirements of this title.
- (b) Upon the payment of the amount for said license and a fee of \$1 herein provided for the issuance of such license and all costs and fees and penalties which shall have accrued, or which such person, firm, or corporation shall have become liable in any proceedings commenced for the collection of such license, or to enforce payment thereof, such probate judge, commissioner of licenses or Department of Revenue shall issue the license properly countersigned, in the form and on the blank to be furnished by the Comptroller, which shall set forth and specify the name of the person, firm, or corporation applying therefor,

whether the business, profession, or occupation for which the license is procured is owned by an individual, partnership, corporation, or other association, stating the name of the individual, the name of each of the partners if a partnership, the exact name of the corporation or association, if a corporation or association, and the name of each of the principal officers thereof, the business or act which it is proposed to carry on or do thereunder, the name of the street or location where it is proposed to carry on the same, if such location shall be in a city or town and have a street number and, if not, then the location and amount paid for such license, and the time for which it is issued; and if the license is for a peddler it shall state whether he proposes to travel on foot or on horseback or on wagon or motor vehicle; provided, that the governing body of any county may furnish application blanks in such form that the applicant for a license may supply the above information in writing; and such license shall not be transferable except as otherwise provided herein, nor shall it entitle the holder thereof to carry on any other business or do any other act than that named therein.

- (c) Whenever a license is levied in this title, there shall be collected both a state and county license for each place of business, except as specifically otherwise provided. (Note: Where both a state and county amount is due, the total for both is shown as the license amount.)
- (d) In case it should become necessary to remove any business for which a license is required by this section from one location to another location in the same county, and such business is continued as the same kind and character and by the same person or firm as that carried on at the former location, another license shall not be required for such business for the same license year.
- (e) There is hereby levied for the use and benefit of and to be paid to the county in which the license is issued, in addition to all license taxes levied under the provisions of Article 2 of this chapter, for state purposes and which are payable to the judge of probate or commissioner of licenses, a sum equal to 50 percent of the amount levied for state purposes, except as otherwise specifically provided. (Note: The total amount due for state and county is shown as a single amount in this handbook.)
- (f) Any action to recover the amount due for any license, whether levied solely for state purposes or for state and county purposes, shall be instituted by the State of Alabama and may include all penalties and fees due by any person, in addition to the amount due for such license and interest thereon. The amount recovered in any such actions shall be paid to the State Department of Revenue, and if any portion of said license was levied for county purposes, such portion shall be remitted to the county in which such license was payable, and the department may from the amount of any penalties or fees thus recovered remit the amount, if any, due to the judge of probate, commissioner of licenses or license inspector.

§40-12-3

Collection and Distribution Where Both State and County License Tax Levied

Whenever, by virtue of the provisions of subsection (d) of Section 40-12-2, or the provisions of Article 2 of this chapter, both a state and county license are levied, the authority charged with the duty of collecting such licenses shall continue to collect the same, and of the total amount collected for such state and county licenses, he shall distribute one half thereof to the state and one half thereof to the county, any other provision of law to the contrary notwithstanding.

§40-12-8

False Affidavits or Certificates

Any person who shall knowingly make any false affidavit or certificate in connection with the ordering or procuring of a license to carry on any business or do anything in this state for which a license is required shall be guilty of a misdemeanor and, upon conviction, when the offense is not otherwise specifically provided for, shall be fined not less than \$100 nor more than \$1,000 and, at the discretion of the court, may be sentenced to hard labor for the county not to exceed six months as additional punishment.

§40-12-9

Penalty for Failure to Take Out License; Selling Throughout State Under One License

- (a) It shall be unlawful for any person, firm, or corporation to engage in or carry on any business, or do any act for which a license is required now or may hereafter be by law, without having first paid for and taken out a license therefor in the manner in this title provided. Any person who is convicted of failing to take out and pay for the license required shall be fined not less than the amounts of all licenses required of him and, if convicted for refusing to take out the license shall, on conviction, be fined not less than the amount of the state and county license due by him and not more than \$100 in addition thereto, and may be sentenced to hard labor for the county for not more than six months, all fines to be paid in money; and when collected, two-thirds shall be paid to the state and one-third to the county.
- (b) No person shall be allowed the privilege of selling throughout the state under one license except by special provisions of law.

**License Inspectors Generally; When Taxes Due and Payable;
Collection and Distribution of Penalties and Citation Fees on Delinquent Licenses**

- (a) The county commission of each county is hereby authorized and empowered to appoint a license inspector.
- (b) It shall be the duty of the license inspector to scrutinize the records and stubs kept in the office of the probate judge and also to examine the license records of each city or town located in the county or counties of which he has been appointed license inspector; and, if it shall be reported to any license inspector or come to his knowledge that any person, persons, firms, or corporations have failed or refused to take out license for a business or occupation for which a license is required by the state or have failed or refused to take out a license for operating any motor vehicle or trailer for which a license is required by law, the license inspector shall thereupon cite such delinquent to appear before the license inspector at the courthouse of the county in which such citation is issued and show cause why the license or privilege tax required by law has not been paid and, at the same time, shall file with the probate judge of the county a copy of such citation showing service on the delinquent.
- (c) If the license inspector shall discover any motor vehicle being operated without a proper or legal license, he shall cite the operator of the motor vehicle; and, in filing copy of such citation with the probate judge, he shall show on such citation the particular motor vehicle operated without legal license, as well as the operator thereof.
- (d) The probate judge must in all cases, in addition to the other penalties required to be collected by him, collect the citation fee, if any, before issuing any license; and, in case of a motor vehicle where a license is taken out in the name of person not cited, the citation fee shall be collected if the citation filed shows the motor number of such vehicle. When any license is due the license inspector shall cause the delinquent to appear before the probate judge of the county and take out the same, but such probate judge shall not have the authority to determine the liability of such delinquent for such license and shall in each case issue a license to the applicant upon the payment by him of the amount or amounts prescribed by this title. If such delinquent shall fail or refuse to take out a license, the license inspector shall institute or cause to be instituted criminal proceedings against such delinquent before any court having jurisdiction of such offense. In case of emergency the license inspector must commence the criminal proceedings in the first place.
- (e) All license taxes levied by this title, except as otherwise provided, shall be due and payable as of October 1 of each year and shall be delinquent November 1 thereafter. Where any license issuable by the probate judge or commissioner of licenses shall be delinquent, the same shall be subject to a penalty of 15 percent of the amount of the license, which penalty must be collected by the probate judge or commissioner of licenses when the license is taken out together with interest at six percent from the date of delinquency; provided, that the penalty for delinquency in payment of motor vehicle licenses shall in no case be less than \$1.50.

 **Interpretations**

In order to avoid the penalty for delinquency, licenses purchased on or after November 1 must be purchased prior to conducting business operations during the license year. A business which does not operate until after November 1 (i.e., a seasonal business) will not be subject to the penalty if the license is purchased prior to conducting any operations in that year.

- (f) It shall be unlawful for any probate judge or other officer to fail to collect such penalties when issuing such license.
- (g) The probate judge, in remitting such penalties, shall file report with the county commission, Comptroller, and with the Department of Revenue showing the amount of such penalties collected, from whom, and for what collected, and he shall remit to the county general fund all penalties collected. The probate judge shall remit to the county general fund all citation fees collected where the citation was served by the license inspector or his deputy.
- (h) If a criminal prosecution shall be commenced either by affidavit and warrant, or information or indictment, 44 percent of the fine or penalty thereafter imposed in the case shall be paid to the county general fund. The remainder shall be paid to the Treasury of the state.
- (i) The county commission may appoint deputy license inspectors, and the acts of such deputies shall be recognized as the acts of the license inspector.
- (j) All citations to delinquents shall be served by any lawful officer or by the license inspector or his deputy for which a fee of \$1.50 for each citation served shall be taxed against the delinquent.
- (k) License inspectors shall have the same power to arrest persons violating the revenue laws of the state as is now vested in the sheriffs of the state and shall receive the same fees for such service.

- (l) The Department of Revenue shall keep a record by counties in which, each month, shall be entered the number of licenses issued by the probate judge for each and every business or occupation for which a state license tax is required, and such record may be compared each month with the number of licenses issued by cities and towns for the same business or occupation.
- (m) The license inspector shall be required to report to the Department of Revenue the reason for the failure to collect any licenses due the state which may be evidenced by the comparison of the report of the probate judge and the report made of licenses issued by cities or towns.
- (n) It shall be the duty of the county commissions of the several counties to supply the license inspector with necessary citation blanks and other necessary forms to be paid for by the county.
- (o) The county commission shall fix and pay the salary of the license inspector and his deputies and the expenses of his office.
- (p) The provisions of this section shall not repeal, modify, or prohibit any presently existing or future local act or general act of local application affecting the office of license inspector or which establishes any office or position which encompasses the duties of license inspector in any county.

**§40-12-11
Bonds of License Inspectors**

Before entering upon the duties of their office, all license inspectors shall execute to the State of Alabama a bond, to be approved by the Governor, in amounts to be fixed by the Department of Revenue, for the faithful performance of their duties.

**§40-12-12
License to Designate Place of Business**

Every license granting authority to engage in or exercise any business, employment, or profession, unless expressly authorized elsewhere or otherwise, shall designate the place of such business, employment, or profession at some specified house or other definite place within the county of the probate judge granting it. Engaging in or exercising any such license, business, employment, or profession elsewhere than at such house or definite place, unless expressly authorized elsewhere or otherwise by law, shall be held to be without license. A license which does not specify such house or definite place where business, employment, or profession is limited thereto by law shall be void.

**§40-12-13
Engaging in Several Businesses**

Where any person, firm, or corporation is engaged in more than one business which is made by the provisions of law subject to taxation, such incorporated company or person shall pay the tax provided by law on each branch of the business.

**§40-12-14
Two or More Licenses on Same Business**

Wherever in this title two or more licenses on the same business or occupation are required, it is hereby declared to be the intention of the Legislature that all such licenses as are herein levied shall be collected without credit or offset, except where specific provision is made therefor.

**§40-12-15
License Deemed a Personal Privilege; Transferability**

- (a) Every license shall be held to confer a personal privilege to transact the business, employment, or profession which may be the subject of the license and shall not be exercised except by the person, firm, or corporation licensed, unless specifically authorized by law to do so.
- (b) When a business or privilege for which such license is issued is, under actual sale, transferred to a new ownership, a transfer of license may be effected by application to the probate judge originally issuing such license and the payment of a fee of \$1.

§40-12-16
Sworn Statements of Amount of Capital, Value of Goods, Stock, etc.

In all cases where the amount to be paid for license depends upon the amount of capital invested, the value of the goods or stock, the amount of sales or receipts, or any other fact or condition hereinbefore recited, it shall be the duty of the person applying for such license to render to the probate judge a sworn statement of the amount of the capital invested, of the value of the goods or stock or amount of sales or receipts, and to make under oath such further proof or affidavit as may be required by the probate judge to determine the character of the license and the amount to be paid for the same.

§40-12-17
Population of Municipality as Determining Tax

Whenever this title fixes a license for a business or occupation which is located without the corporate limits of an incorporated municipality but within a fixed distance of such municipality and fixes the amount of the license by the population of such municipality, in the event there is more than one municipality within such distance of the location of such business, then the amount of the license shall be that which is provided for by the nearest municipality.

§40-12-18
Penalty on Agents of Persons, Firms, etc., Who Have Not Paid Tax

Any person who acts as agent for any person, firm, or corporation liable to the payment of a license or privilege tax, without said license or privilege tax having been paid, shall on conviction be fined in a sum equal to the state and county license, and not more than \$100 in addition thereto, and may also be sentenced to hard labor for the county for not more than six months.

§40-12-19
Duty of Department of Finance to Prepare Forms of Licenses

It shall be the duty of the Department of Finance to prepare and have printed suitable forms of licenses and as often as need be to furnish to the several probate judges blank licenses signed by the director sufficient for the probable wants of their respective counties, taking their receipts for the same. Each such blank shall have a stub attached thereto, on which shall be printed such matter as the Department of Finance may prescribe, with appropriate blank spaces to be filled in by the probate judge upon the issuance of any license. The Department of Finance shall take and file in the director's office a proper receipt from the probate judge for the blank licenses furnished him.

§40-12-20
License and Stub Must Correspond

Upon the issuance of any license the probate judge must, before detaching the license from the stub, fill up the blank spaces in the stub to correspond in all respects with license as issued and sign his name thereto.

§40-12-21
Records to be Kept by Probate Judge

The probate judge shall keep in a book prepared for that purpose an accurate account of all licenses received by him from the Department of Finance, and of the disposition made of them, and of all money received from the licenses issued by him, and make report thereof to the Department of Finance within ten days after the expiration of the fiscal year, at which time he shall return to the Department of Finance all unused licenses and stubs, or account to the Department of Finance for all unused licenses, and shall also return to the Department of Finance the stubs of all licenses issued by him, and the probate judge shall on demand of the Department of Finance, at any time, exhibit to him or to any agent appointed by the Department of Finance for that purpose such license record and the original of all license then remaining in his hands and all stubs of licenses issued.

§40-12-22
Disposition of Moneys by Probate Judge

Within 20 days after the end of each month, the probate judge must remit to the State Treasurer at the expense of the state all money received by him for licenses belonging to the state and pay to the county treasurer all the money received by him for licenses belonging to the county, and within the same time the probate judge shall forward to the Comptroller and to the Department of Revenue each certified list of all licenses issued by him, stating thereon for what business issued, amount collected for each license, from whom collected, and the date of such collection; and if no licenses have been issued, he shall report that fact; provided, that for the months of October, November and December of each calendar year, the probate judge shall be granted an additional period of 10 days in which to make the remittance and certification of lists above specified and for such months shall be required to make such remittances and certification of lists within 30 days after the end of each of such months. The probate judge shall be entitled to receive five percent of the amount of money collected for licenses due the state, which he may deduct from his remittance to the State Treasurer, and he shall be entitled to the same amount as compensation for collecting licenses due the county, which amount he may deduct from the payment made by him to the county treasurer, but he shall not be allowed any commission on any money not remitted by him within 20 days from the end of the month, except as otherwise provided herein with reference to the months of October, November and December of each calendar year, for which months the probate judge shall be entitled to the commissions herein provided if such remittances be made within 30 days after the end of each such months. If the probate judge fails to comply with the provisions of this section within five days after the date on which he is required to make such report and to remit the money collected by him, the Comptroller shall forthwith report the fact to the Governor, who shall cite such probate judge to show why he has not made report of the lists of licenses and paid over the amount collected by him as required by law, and if such probate judge fails to show sufficient cause for such failure, the Governor shall direct the Attorney General to institute impeachment proceedings against him before the Supreme Court.

§40-12-23
Applications for Refunds; Additional License

- (a) Any person who by a mistake of fact or law has paid to the probate judge or the commissioner of licenses money that was not due from him for a license or an amount in excess of that required by law for the business or occupation to be carried on by such persons under the license shall be entitled to have refunded the money incorrectly paid, less the issuance fee and commission retained by the probate judge or the commissioner of licenses.
- (b) Any petition for refund pursuant to subsection (a) shall be filed directly with the department within the time allowed for refunds in Chapter 2A of this title, and thereafter shall be administered as provided for other refunds in Chapter 2A of this title.
- (c) In case of the issuance of a license for less than the amount due therefor, upon the payment of the additional amount due for such license an additional license may be issued, in such manner as to allow credit for the amount previously paid by the licensee, and there shall be endorsed on the face of such additional license the words "Additional to License No._____."

§40-12-24
Department of Revenue to Certify Refund;
State Comptroller and County Commission to Draw Warrants Payable to Applicant

If the petition for refund allowed by Section 40-12-23 is approved, in whole or in part, the department shall certify the amount which it approves to be refunded by the state and county. The state comptroller shall draw a warrant payable to the applicant for the amount of the refund to be made by the state, and the county commission of the county in which such payment was made shall draw a warrant upon the county treasurer or county treasury payable to the applicant for the amount to be refunded by such county. Claims for refund hereunder shall not be subject to assignment, except assignments resulting by operation of law.

§40-12-25
License for Part of Year

Unless otherwise provided, if any business licensed by this title shall commence after the April 1 in any year, the amount of the license or privilege tax shall be one half of the year's license or privilege tax. In all other cases the license shall be taken out for the full term of one year, unless a shorter term is fixed by the provisions of this title. In all cases where the amount of license is rated according to the population of the town, city, or county, the population of such town, city, or county as fixed by the last preceding United States census shall govern.

 **Interpretations**

- The half-year license applies only to new businesses commencing operations after April 1 of a given year. Renewal licenses will carry the full year's fee even if no operations are conducted from October 1 to April 1 (i.e. for seasonal businesses).
- Half-year license fees are only to be charged when an annual license amount is stated. License amounts which are stated as monthly, weekly or daily amounts are not to be reduced.

§40-12-26
Due and Delinquent Date; Term of License

Except as otherwise provided, all licenses or privilege licenses payable hereunder shall be due on October 1 of each year and shall be for one year ending, September 30 following, and shall be delinquent on November 1 of each year.

 **Interpretations**

In order to avoid the penalty for delinquency, licenses purchased on or after November 1 must be purchased prior to conducting business operations during the license year.

§40-12-27
Each Day's Violation a Separate Offense

If the law annexes a penalty for each or every violation of its provisions, or for each separate offense, it shall be lawful to hold that each day's continuance in the exercise of any business, employment, or profession, for which a license is required, constitutes a separate offense.

§40-12-28
Disposition of Proceeds of Funds from Licenses Pertaining to Timber or Timber Products

All occupation license or privilege taxes imposed by the state for engaging in any business dealing with timber or timber products shall be paid into the conservation fund of the Department of Conservation and Natural Resources.

§40-12-29
Additional Penalty for Failure to Comply with Articles 8 and 9 of This Chapter

In addition to the criminal penalty provided by Sections 40-12-400 and 40-12-424, any person who willfully fails to comply with the provisions of Article 8 and Article 9 of this chapter shall for each such failure be subject to a penalty of not less than \$500 nor more than \$1,000.

§40-12-30
Department of Revenue Authorized to Promulgate Rules and Regulations

- The Department of Revenue is hereby authorized to promulgate reasonable rules and regulations relating to the administration and enforcement of the provisions of this act and those other provisions of this chapter relating to the licensing of automobile and other motor vehicle dealers not in conflict with the specific provisions hereof.
- Every applicant for a new license and renewal issued pursuant to Articles 2, 6, 8, and 9 of this chapter 12 shall provide to the issuing agent the applicant's federal employer identification number or, if the applicant is a sole proprietorship and does not possess same, the applicant's Social Security number. The federal employer identification number or Social Security number shall be included with the license information reported to the department by each county.
- All business privilege license application information for new licenses and renewals shall be transmitted electronically to the department by the probate judge or other county licensing official in a manner as prescribed by the department.

Effective date of Sections (b) and (c) – October 1, 2014

EFFECTIVE DATE – The act which enacted this section became effective September 1, 1991.

CODE COMMISSIONER'S NOTE. – The reference to "this act" near the middle of this section means Acts 1991, No. 91-321 which amended Sections 40-1-33, 40-12-390, 40-12-391, 40-12-392, 40-12-394, 40-12-396, 40-12-398, and 40-12-414 and enacted this section and Section 40-12-29.

§40-12-31
Occupational taxes authorized.

No provision or provisions in this chapter shall prevent the Alabama Legislature from enacting, imposing, and establishing occupational taxes, which are to be paid to the county or otherwise, and are imposed on an individual's engaging in any occupation, business, or profession without any regard to whether he or she has a license to, or pays a license tax or fee in order to, carry on that occupation, business, or profession.

§40-12-40
Who Must Procure State and County Licenses

Every person, firm, company, corporation or association, receiver or trustee, but not a governmental subdivision, engaged in any business, vocation, occupation, calling, or profession herein enumerated or who shall exercise any privilege hereinafter described for which a license or privilege tax is required shall first procure a state license, and a county license when so required, and shall pay for the same or shall pay for the exercise of such privilege the amounts hereinafter provided, and comply with all other provisions of this title.

Article 7 **EXEMPTIONS OF CERTAIN PERSONS**

Division 1

§40-12-330

EXEMPTIONS FOR BLIND PERSONS

All blind persons, as defined in Section 40-1-1 [All persons who have a vision with adjusted glasses suitable to the eye or to the individual not greater than what is known as 20/200 vision], shall be entitled to exemption from the payment of all state, county, city, or municipal privilege licenses on filing with the probate judge or license commissioner of the county in which said license is due the certificate provided for in this section. Such exemptions shall not exceed the sum of \$75 for state privilege license and \$75 for county, city, or municipal privilege licenses during any year.

No person shall come within the provisions of this section who has not been a continuous bona fide resident of the State of Alabama for a period of two years next preceding the filing of the application for the benefits hereunder.

Any person claiming exemptions under the provisions of this section shall be required to furnish a vision certificate from a regularly licensed physician in the county in which such person makes said application.

Any person who secures a license under the provisions of this section and who permits any other person, firm, or corporation to engage in any occupation or conduct any business under such license shall be guilty of a misdemeanor and shall be punished as provided by law, and any person, firm, or corporation not entitled to exemption from payment of license under this chapter who engages in any occupation or conducts any business under a license issued to a blind person under the provisions of this section shall be guilty of a misdemeanor and shall be punished as provided by law.

Division 2 **DISABLED VETERANS**

SECTION	TITLE
40-12-340	Eligibility; scope
40-12-341	State license
40-12-342	County license
40-12-343	Municipal license
40-12-344	Employees, apprentices and helpers
40-12-345	Form of license issued
40-12-346	Expiration of license
40-12-347	Proof of disability
40-12-348	Corporations, associations and partnerships
40-12-349	Fraudulently obtaining license
40-12-350	County in which issued
40-12-351	Penalty for violation by officials
40-12-352	Certain veterans not included in law

§40-12-340
Eligibility; Scope

Every bona fide permanent resident of the State of Alabama who served in the United States Army, Navy, or Marine Corps during World War I between April 6, 1917, and November 11, 1918, in the Spanish American War between April 21, 1898, and July 4, 1902, or any soldier, sailor, or other person serving in the Armed Forces of the United States between December 7, 1941, and the termination of World War II by the signing of a definitive treaty of peace, or at any other time past, present or future when the United States was, is or shall be engaged in hostilities with any foreign state, whether as a result of a declared war or not, and who, at the time of his application for license as hereinafter provided for, shall be physically disabled to the extent of 25 percent, or more, shall, upon sufficient identification and upon sufficient proof of such disability and upon sufficient proof of being a permanent resident of this state, and upon the production of an honorable discharge or other proof of termination of honorable service from the

United States Army, Navy, or Marine Corps during World War I, the Spanish American War or from the Armed Services of the United States within the respective limits herein above prescribed, be exempt from business or occupational license taxes to the extent and subject to the conditions hereinafter specified; provided, that no exemption, deduction, or commutation shall be allowed any person from the license or tax on what is commonly known as rolling stores; nor shall said exemption, deduction, or commutation be construed as relieving any person from the payment of any license tax for the registration or operation of any motor vehicle upon the public highways of this state, unless otherwise provided by law.

§40-12-341
State License

Each such veteran who shall engage in or carry on any businesses or occupations as a means of livelihood through the personal efforts of such person or through the personal efforts of such person and not more than one employee, helper, or apprentice, for which businesses or occupations license taxes are prescribed by the State of Alabama, shall be entitled to licenses from the state to so engage in or carry on such businesses or occupations upon payment of the license taxes so prescribed, less all or such portion of such license taxes as shall not exceed \$25.

§40-12-342
County License

Each such person who shall engage in or carry on any businesses or occupations as a means of livelihood through the personal efforts of such person or through the personal efforts of such person and not more than one employee, helper, or apprentice, for which businesses or occupations license taxes are prescribed by or for any county of Alabama, shall be entitled to licenses from such county to so engage in or carry on such businesses or occupations upon payment of the license taxes so prescribed, less all or such portion of such license taxes as shall not exceed \$25.

§40-12-343
Municipal License

Each such person who shall engage in or carry on in his own name any businesses or occupations as a means of livelihood through the personal efforts of such person or through the personal efforts of such person and not more than one employee, helper, or apprentice, for which businesses or occupations license taxes are prescribed by any municipality of Alabama, shall be entitled to licenses from such municipality to so engage in or carry on such businesses or occupations upon payment of the license taxes so prescribed, less all or such portion of such license taxes as shall not exceed \$25.

§40-12-344
Employees, Apprentices and Helpers

Any person who assists or serves such veteran in the conduct or carrying on of such veteran's business or occupation shall be deemed an employee, helper or apprentice, whether such assisting person is paid any compensation for his assistance or service or not. The term "license tax," as used in this title, shall be deemed to include any tax prescribed by a license tax schedule, but shall not exclude any license tax otherwise prescribed.

§40-12-345
Form of License Issued

It shall be the duty of each and every official empowered or charged by law with the duty of issuing licenses in this state to issue a license to every such person as may come within the provisions of this division, and such license, when issued, shall be marked across the face thereof "War Veteran's License – Not Transferable." Any person who transfers or assigns or attempts to transfer or assign the "War Veteran's License" issued under the provisions of this division shall forfeit all rights to any exemptions, deductions or commutation allowed by the terms of this division.

§40-12-346
Expiration of License

All licenses issued under this division shall be in the same general form as other licenses and shall expire at the same time as other licenses are fixed by law to expire.

§40-12-347
Proof of Disability

Proof of disability shall be made by exhibiting a federal government rated disability certificate to an extent of 25 percent or more, or an affidavit from an examining physician of the United States Veteran's Administration showing that the applicant for license is physically disabled to the extent of at least 25 percent or by the production of a pension certificate issued by the United States Government or by the State of Alabama or by a certificate of the county health officer of the county in which the veteran resides or, if there be no county health officer, a certificate by a reputable physician in the county in which the veteran resides, said physician's certificate to be attested before some officer authorized to administer oaths.

§40-12-348
Corporations, Associations and Partnerships

No exemption or commutation herein provided for shall be allowed any corporation, association, or partnership, except as to partnerships the prescribed exemption or commutation shall be allowed a partnership when each partner thereof would be individually entitled to an exemption hereunder; provided, that an individual entitled to such exemption shall not be denied it by reason of being a member of a partnership in those cases when license is required of the individual members of a partnership and not of the partnership as such.

§40-12-349
Fraudulently Obtaining License

Any license issued under the provisions of this division shall be or become null and void and shall afford no protection against a prosecution for doing business without license if the same is fraudulently obtained, or if the business conducted thereunder is not bona fide the business of the veteran licensee, or if the veteran shall at any time conduct his business in such a manner as that he would not be entitled to exemption under the terms of this division.

§40-12-350
County in Which Issued

No license herein provided for shall be issued in any county other than the county wherein the disabled veteran is a bona fide resident; provided, that should a disabled veteran holding a veteran's license desire to engage in a business or occupation in a county in this state other than the county in which he has secured such veteran's license, he shall produce the license issued to him in the county of his residence to the probate judge of the county where he desires to do business; and, if the license in such other county together with the license issued in the county of his residence does not exceed the \$25 exemption herein granted, he shall be exempted to such extent, and such probate judge shall countersign the license obtained in his county without charge or fee, and it shall thereafter be as valid as though issued by the probate judge of the county of his residence.

§40-12-351
Penalty for Violation by Officials

Any probate judge, city clerk, or city comptroller who willfully fails or refuses to issue any licenses applied for by a veteran entitled to the benefits of this division shall be guilty of a misdemeanor and shall be prosecuted as provided by law.

§40-12-352
Certain Veterans Not Included in Law

Any veteran whose property, both real and personal, is valued at \$5,000 or more shall be precluded from the exemptions granted herein, nor shall a veteran whose net annual income is \$2,500 or more be entitled to the exemptions herein granted.

Division 3 **VETERANS OF WORLD WAR II**

SECTION	TITLE
40-12-370	Eligibility; scope
40-12-371	State license
40-12-372	County license
40-12-373	Municipal license
40-12-374	Duty of officials; form of license; penalty for transfer
40-12-375	Corporations, associations and partnerships; certain veterans not exempt
40-12-376	Fraudulently obtaining license
40-12-377	Penalty for violation by officials

§40-12-370 **Eligibility; Scope**

Every bona fide permanent resident of the State of Alabama who has served 90 days or more in the Armed Forces of the United States between September 16, 1940, and the termination of World War II by the signing of a definitive treaty of peace or at any subsequent time when the United States was, is or shall be engaged in hostilities with any foreign state, whether as a result of a declared war or not, or who shall have been discharged or released from such service in less than 90 days by reason of a service-connected disability shall, upon sufficient identification, upon sufficient proof of being a permanent resident of this state and upon the production of an honorable discharge from or other proof of the honorable termination of such service, be exempt from business or occupational license taxes for a period of six years after July 6, 1945 or for a period of six years after his or her discharge from or termination of service, whichever is later, to the extent and subject to the conditions herein specified. No exemption, however, shall be allowed any such person from the license tax on what commonly are known as rolling stores, nor shall the exemption herein granted be construed as relieving any person from the payment of any license tax for the registration or operation of any motor vehicle, unless otherwise provided by law.

§40-12-371 **State License**

Such veterans who shall engage in or carry on any businesses or occupations for which license taxes are prescribed by the State of Alabama shall be entitled to licenses from the state to engage in or carry on those businesses or occupations upon the payment of the license taxes prescribed, less, as regards each veteran, such portion of the license taxes as shall not exceed \$35.

§40-12-372 **County License**

Such veterans who shall engage in or carry on any businesses or occupations for which license taxes are prescribed by any county of Alabama shall be entitled to licenses from the county to engage in or carry on those businesses or occupations upon the payment of the license taxes prescribed, less, as regards each veteran, such portion of the license taxes as shall not exceed \$35. However, no such veteran may claim the exemption in more than one county.

§40-12-373 **Municipal License**

Each such veteran who shall engage in or carry on any businesses or occupations for which license taxes are prescribed by any municipality in Alabama shall be entitled to licenses from the municipality to engage in or carry on those businesses or occupations upon the payment of the license taxes prescribed, less, as regards each veteran, such portion of the license taxes as shall not exceed \$35. However, no such veteran may claim the exemption in more than one municipality.

§40-12-374
Duty of Officials; Form of License; Penalty for Transfer

It shall be the duty of every official charged with the duty of issuing licenses in this state to issue licenses at the cost herein specified to each veteran coming within the provisions of this division; and such licenses, when issued, shall be marked across the face thereof: "War Veteran's License – Not Transferable." Any veteran who transfers, assigns or attempts to transfer a war veteran's license issued under the provisions of this division shall forfeit his rights to all exemptions allowed hereunder.

§40-12-375
Corporations, Associations and Partnerships; Certain Veterans Not Exempt

No exemption under the provisions of this division shall be allowed any corporation or association. As to partnerships, the exemption shall be allowed a partnership only when each partner thereof individually would be entitled to an exemption hereunder. However, an individual entitled to an exemption shall not be denied it by reason of being a member of a partnership in those cases when the licenses are required of the individual members of a partnership and not of the partnership as such.

Any veteran whose property, both real and personal, is valued at \$7,000 or more or whose net annual income is \$3,000 or more shall not be granted the exemption provided herein, but shall be granted an exemption of \$15 on his licenses from each the city, county and state.

§40-12-376
Fraudulently Obtaining License

Any license issued under the provisions of this division shall become null and void and shall afford no protection against prosecution for doing business without license if the license is fraudulently obtained or if the business conducted under the license is not bona fide the business of the licensee.

§40-12-377
Penalty for Violation by Officials

Any person charged with the duty of issuing licenses in this state who willfully fails or refuses to issue any license applied for by a veteran entitled to the benefits of this division shall be guilty of a misdemeanor and shall be prosecuted as provided by law.

Chapter 12

BUSINESS, VOCATION OR OCCUPATION PRIVILEGE LICENSES

Article 2

SECTION	TITLE
40-12-41	Abstract companies, etc.
40-12-42	Acetylene gas and carbide manufacturers 4
40-12-43	Actuaries, auditors, and public accountants
40-12-43.1	Added fee for private examining or collecting firms
40-12-44	Adding machines, calculating machines, comptometers, etc.
40-12-45	Advertising
40-12-46	Air-conditioning plants and equipment
40-12-47	Amusement parks
40-12-48	Architects
40-12-49	Attorneys
40-12-50	Auctioneers
40-12-51	Automobile dealers
40-12-53	Automobile accessory dealers
40-12-54	Automobile garages and shops
40-12-55	Automobile storage garages
40-12-56	Automobile storage other than in garages
40-12-57	Automobile tire retreading shops
40-12-58	Barbers
40-12-59	Baseball parks
40-12-60	Battery shops
40-12-61	Beauty parlors, etc.
40-12-62	Bicycle and motorcycles
40-12-63	Blueprint makers
40-12-64	Bond makers
40-12-65	Bottlers
40-12-66	Bowling alleys
40-12-67	Brokers and agents of iron, railway, etc., supplies
40-12-68	Brooms, brushes, mops, etc.
40-12-69	Cereal beverages, carbonated or other soft drinks; retailers
40-12-70	Cereal beverages, carbonated or other soft drinks; wholesalers
40-12-71	Certified Public Accountants
40-12-72	Cigars, cigarettes, cheroots, etc.; retailers
40-12-73	Cigars, cigarettes, cheroots, etc.; wholesalers
40-12-74	Circuses
40-12-75	Cleaning and pressing establishments
40-12-78	Coffins and caskets; manufacturers
40-12-79	Coffins and caskets; dealers and agents
40-12-80	Collection agencies
40-12-81	Commission merchants or merchandise brokers
40-12-82	Concerts, musical entertainments, etc.
40-12-83	Conditional sales contracts, drafts, acceptances, etc.; dealers in
40-12-84	Construction companies or contractors
40-12-87	Cottonseed oil mills, cotton mills, factories, etc.
40-12-88	Cotton warehouses
40-12-89	Credit agencies
40-12-90	Creosoting, etc.
40-12-91	Delicatessen shops
40-12-92	Dentists
40-12-93	Detective agencies
40-12-94	Developing and printing films
40-12-96	Directories
40-12-97	Electric refrigerators, electric or gas heaters, etc.

40-12-98	Embalmers
40-12-99	Engineers
40-12-100	Fertilizer factories
40-12-101	Fire, closing out, etc. sales 4
40-12-102	Fireworks
40-12-103	Flying jennies, merry-go-rounds, etc.
40-12-104	Fortunetellers, palmists, clairvoyants, etc.
40-12-105	Fruit dealers
40-12-106	Gasoline stations and pumps
40-12-107	Glass
40-12-108	Golf, miniature golf, etc., courses
40-12-110	Hide, fur, etc., dealers
40-12-111	Horse show, rodeo, or dog and pony shows
40-12-112	Horse, mule, etc., dealers
40-12-113	Ice cream
40-12-114	Ice factories
40-12-115	Innkeepers and hotels
40-12-116	Junk dealers and Car Crushers
40-12-117	Laundered towel, apron, etc., rentals; diaper services
40-12-118	Laundries
40-12-121	Lumber and timber dealers
40-12-122	Lumberyards
40-12-123	Machinery repair shops
40-12-124	Manicurists, hairdressers, etc.
40-12-125	Mattresses, cushions, pillows, etc.
40-12-126	Medicine, chemistry, bacteriology, etc.
40-12-127	Mimeographs, duplicating machines, dictaphones, etc.
40-12-128	Mining of Iron Ore; Levy and amount of tax; limitation of actions
40-12-129	Mining of Iron Ore; Report of operators
40-12-130	Mining of Iron Ore; Report of persons receiving products
40-12-131	Monuments and tombstones
40-12-133	Moving picture shows; Permanent operators
40-12-134	Newsstands
40-12-135	Oculists, optometrists and opticians
40-12-136	Osteopaths and chiropractors
40-12-137	Packing houses, cold storage plants, etc.
40-12-138	Pawnbrokers
40-12-139	Peddlers and itinerant vendors
40-12-140	Photographers and photograph galleries
40-12-141	Pianos, organs and other musical instruments
40-12-143	Pistols, revolvers, bowie and dirk knives, etc.
40-12-144	Playing cards
40-12-145	Plumbers, steam fitters, tin shop operators, etc.
40-12-146	Pool tables
40-12-147	Racetracks, athletic fields, etc.
40-12-148	Radios
40-12-149	Real estate brokers and agents, realty situated within state
40-12-150	Real estate brokers and agents, realty situated without the state
40-12-151	Restaurants, cafes, cafeterias, etc.
40-12-152	Roadhouses, nightclubs, etc.
40-12-153	Sandwich shops, barbecue stands, etc.
40-12-154	Sawmills, heading mills or stave mills
40-12-155	Scientists, naturopaths and chiropodists
40-12-156	Sewing machines
40-12-157	Shooting galleries
40-12-158	Shotguns, rifles, ammunition, etc.
40-12-159	Skating rinks
40-12-160	Soliciting brokers
40-12-161	Spectacles or eyeglasses
40-12-162	Stock and bond brokers

40-12-163	Street fairs and carnivals
40-12-165	Syrup and sugar factories
40-12-166	Theaters, vaudevilles and variety shows
40-12-167	Ticket scalpers
40-12-168	Tourist camps
40-12-169	Tractors, road machinery and trailers
40-12-171	Transfer of freight
40-12-172	Transient dealers
40-12-174	Transient vendors and peddlers
40-12-176	Vending machines
40-12-177	Veneer mills, planing mills, box factories, etc.
40-12-178	Veterinary surgery
40-12-179	Warehouses and yards

§40-12-41
Abstract Companies, etc.

Abstract companies and persons engaged in the business of furnishing abstracts of title shall pay the following license taxes:

City Population	License Amount	Fee	Total
100,000 or more	\$112.50	\$1	\$113.50
50,000 and less than 100,000	\$75	\$1	\$76
20,000 and less than 50,000	\$60	\$1	\$61
10,000 and less than 20,000	\$37.50	\$1	\$38.50
5,000 and less than 10,000	\$30	\$1	\$31
All other places whether incorporated or not	\$15	\$1	\$16

The payment of the license tax required by this section shall authorize the doing of business only in the town, city, or county where paid; provided, that this section shall not apply to regular licensed practicing attorneys who furnish abstracts as a part of their general practice.

 **Interpretations**

Licensed Attorney – If the attorney is operating an independent abstract business and holding it out as an abstract business in itself, he would be liable for the license. If he is merely making abstracts, as a part of his general law practice, he would not be liable for the license.

§40-12-42
Acetylene Gas and Carbide Manufacturers

Each person manufacturing acetylene gas and carbide shall pay the following license tax:

City Population	License Amount	Fee	Total
Over 25,000 or within 5 miles thereof	\$75	\$1	\$76
All other places, whether incorporated or not	\$37.50	\$1	\$38.50

§40-12-43
Actuaries, Auditors, and Public Accountants

Each professional actuary, auditor, or public accountant shall pay a license tax of:

State Amount	Fee	Total
\$25	\$1	\$26

but no license tax shall be paid to the county. If such business is conducted as a firm or as a corporation in which more than one person above named is engaged, each person so engaged shall pay a license of \$25.

 **Interpretations**

- **Actuaries** – Statisticians who compute insurance risks and premiums.
- **Auditors** – Check/verify accounts.
- This section is needed by a public accountant if registered with the State Board of Public Accountancy, 334-242-5700.
- If such business is conducted as a firm or as a corporation in which more than one person above named is engaged, each person so engaged shall pay a license fee of \$25.
- Persons engaged solely in preparation of income tax returns for the public or aiding in the preparation of such returns and do not hold themselves out as public accountants are not subject to the license.
- This license is good statewide.

§40-12-43.1
Added Fee for Private Examining or Collecting Firms

Every private examining or collecting firm shall pay a separate annual license fee of:

License Amount	Fee	Total
\$37.50	\$1	\$38.50

no later than October 1 of each year or within 30 days of entering into a contract with a county or municipality, with proceeds to be paid by the State Comptroller to the Alabama Local Tax Institute of Standards and Training established under Section 40-2A-15, for the administration of the institute's examiner certification program. If the firm has engaged more than one examiner, each such person so engaged shall pay the separate license fee of thirty seven dollars and fifty cents (\$37.50) within 30 days of being hired by the private examining or collecting firm. No private examining or collecting firm shall be issued a license unless it is in compliance with the provisions of Title 40, Chapter 2A and this section.

 **Interpretations**

- A separate license is due from each person/firm entering into an examining/collecting contract for each such contract entered into.
- Each additional examiner employed by an examining firm which employs more than one examiner shall purchase an individual license in the amount of \$37.50.
- Examiners must purchase an individual license under Section 43.1 for each private examining or collecting firm for which they are employed. Each separate license purchased shall be good statewide.

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

§40-12-44
Adding Machines, Calculating Machines, Comptometers, etc.

Each person engaged in the business of selling adding machines, calculating machines, comptometers, billing machines, bookkeeping machines, cash registers, typewriters, or similar machines shall pay the following annual privilege tax:

County Population	License Amount	Fee	Total
Over 100,000	\$150	\$1	\$151
Over 60,000 to 100,000	\$90	\$1	\$91
Over 40,000 to 60,000	\$60	\$1	\$61
40,000 or less	\$37.50	\$1	\$38.50

 **Interpretations**

- A full license is required for each place of business.
- Computers come under this section – hardware only (terminals, keyboards and etc.).
- Software only would require a store license (Section 315).
- Hand calculators or pocket calculators come under this section.
- Need Section 174 if they carry machines in their vehicle and can give immediate delivery (first \$30 - \$10 additional county).
- Possible Section 127 – selling or soliciting orders for mimeographs, duplicating machines and dictaphones. Price is for fixed location and additional license for soliciting.

§40-12-45
Advertising

All bill posting and advertising companies displaying advertisements in public places, including streetcars and each person engaged in the business of advertising or bill posting shall pay the following license taxes:

County Population	License Amount	Fee	Total
200,000 or over	\$225	\$1	\$226
100,000 and less than 200,000	\$187.50	\$1	\$188.50
75,000 and less than 100,000	\$150	\$1	\$151
50,000 and less than 75,000	\$75	\$1	\$76
30,000 and less than 50,000	\$37.50	\$1	\$38.50
Less than 30,000	\$22.50	\$1	\$23.50

 **Interpretations**

- Does not apply to the print media, i.e., newspapers and other publications that only print advertisements but do not publicly post these advertisements.
- Examples of type of advertisement pertaining to Section 45: Billboards and advertising signs appearing on buses and taxicabs.
- Leasing signs with the advertisement already on will need Section 45.
- Leasing signs and the customer put the advertisements on, no Section 45.
- Solicit ads from various businesses and other organizations in need of advertising and providing the service of advertising whether for various businesses or nonprofit organizations would be subject the Section 45.
- Policy of ALDOR is to require a state and county license for each county for which signboards are posted.
- The license tax liability is upon the person who actually solicits the advertisement.
- A neon sign manufacturer who contracts to make and erect signs to the specs of customers, such manufacturer furnishing space for signs, maintaining title to such signs and where said manufacturer merely sells the advertising to the customer on a time contract or other basis is in fact subject to Section 45.
- A bottling company buys several signs displaying an advertisement of the beverage they bottle and sell. The bottling company leases from taxicab companies the space on the back of their cabs. No Section 45 is due. No advertising agency or third party is in any way concerned in these transactions, which is similar to leasing a space on a wall lot or storefront or roof.
- Movie houses are not liable for Section 45. (Not posting or displaying placards etc.)

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

§40-12-46
Air-Conditioning Plants and Equipment

Each person engaged in the business of selling or installing air-conditioning plants or equipment which use or require the use of water connections shall pay, in the county in which is located his principal office, an annual privilege tax of:

License Amount	Fee	Total
\$150	\$1	\$151

provided, that in each other county in which such person engages in the business of selling or installing such air-conditioning plants or equipment, he shall pay a license tax of:

License Amount	Fee	Total
\$15	\$1	\$16

provided further, that no person subject to the provisions of this section shall be required to pay the license levied hereunder in any county other than where he maintains a regular and established place of business for the purpose of selling or installing such air-conditioning plants or equipment.

Any person other than those persons licensed under paragraph one hereof engaged in the business of selling or installing air-conditioning plants or equipment which do not use or require the use of water connections shall pay an annual state privilege license tax for each place of business as follows:

City Population	License Amount	Fee	Total
100,000 or more	\$45	\$1	\$46
50,000 and less than 100,000	\$30	\$1	\$31
10,000 and less than 50,000	\$15	\$1	\$16
Is in places of less than 10,000 whether incorporated or not	\$7.50	\$1	\$8.50

As used in this section the term "air-conditioning" means the artificial lowering or raising of temperature or the supplying of fresh air by artificial methods.

Upon the payment of the license prescribed by Section 40-12-84, a contractor who installs air-conditioning plants or equipment shall not be required to pay the license prescribed by this section, nor shall any person who has paid the license prescribed by this section, who accepts contracts only for the installation of air-conditioning plants and equipment and no other type of construction work be required to pay the license prescribed by Section 40-12-84.

 **Interpretations**

- Section 46 is needed, in **all** cases, by persons **selling** air-conditioning plants/equipment. A company which has Section 46 does not need Section 84 to install a/c units, but does need Section 84 for other contract work.
- For one who only installs air conditioning and heating units (does not sell them), and does no other type of contract work, either Section 46 or Section 84 is sufficient.
- For contracts unrelated to sales and/or installation of a/c and heating units, Section 84 is required. A company which has Section 84 does not need Section 46 for **installation** of a/c equipment, but does need Section 46 to **sell** a/c units.
- A company which only repairs air conditioning units ("A" Coil, compressor, fan motor, etc.) at the customer's location, and which does not have a shop for making such repairs, does not need a license (46, 84, or 97). However, if the repairs are performed at the company's repair shop, then Section 97 is required.
- Per Section 34-31-24(a)(4) of the Code of Alabama 1975,

"No official charged with the duty of issuing licenses to any individual, partnership, or corporation to operate a business as a certified contractor shall issue such license unless there is presented for inspection a certificate of qualification as provided for herein issued by the Board to the individual or to some person in responsible charge with the partnership or corporation." Therefore, you must view the card issued by the Alabama Board of Heating, Air Conditioning and Refrigeration prior to issuing the contractor licenses.

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

§40-12-47
Amusement Parks

Owners and operators of permanent amusement parks which shall be open for the public for not more than five months of each year may be exempted from payment of the license or privilege taxes on amusements or entertainments licensed by this title; provided, that they take out and pay for a license to operate a permanent amusement park at the following rates to wit: Within five mile of or is in cities of

NO HALF-YEAR LICENSE

City Population	License Amount	Fee	Total
25,000 or more	\$300	\$1	\$301
15,000 and less than 25,000	\$150	\$1	\$151
5,000 and less than 15,000	\$75	\$1	\$76
5,000 or less	\$37.50	\$1	\$38.50

No license shall be paid under this section by any town or city which itself owns and operates an amusement park.

 **Interpretations**

- Amusement parks which are open more than five months of the year must purchase Section 47 and any other sections required because of their activities (56, 69, 72, 103, 104, 108, 131, 134, 140, 151, 153, 157, 176a/p, etc.).
- Amusement parks which are open more than two weeks but not more than five months of the year must purchase Section 47. They are not required to purchase "amusement licenses" (103, 157 and 176p) but are required to purchase any other sections based on their activities.
- Fairs, etc., which are open no more than two weeks in any one place at any one time are licensed under Section 163.

§40-12-48
Architects

Each architect practicing his profession for the public shall pay to the state a license tax of:

State Amount	Fee	Total
\$25	\$1	\$26

but no license shall be paid to the county. If such business is conducted as a firm or as a corporation in which more than one person above named is engaged, each person so engaged shall pay the amount provided above.

 **Interpretations**

- All persons representing themselves to the public to be architects and practicing the profession must purchase this license.
- All persons who obtain this license are required to be registered as an architect with the Alabama Board for Registration of Architects. To verify one's registration status, contact the Board at 334-242-4179 or www.boa.alabama.gov.
- If a business is conducted as a firm, partnership or corporation in which more than one architect is employed and/or engaged, each architect shall pay the above-referenced occupational license tax.
- An architect who is a governmental employee, working for a fixed salary and engaged in no other paid architectural work outside his or her government job, shall not be subject to this occupational license tax.
- This section also applies to out of state architects who are conducting business in Alabama.

§40-12-49
Attorneys

- (a) Each attorney engaged in the practice of law shall pay an annual license tax to the state, but none to the county. On October 1, 2006, and each year thereafter, the annual license tax shall be three hundred dollars (\$300). On and after May 15, 2012, the Board of Bar Commissioners shall by rule determine the amount of the annual license tax. If business is conducted as a firm or as a corporation in which more than one lawyer is engaged, each lawyer shall pay such license tax, but no lawyer

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

shall be required to pay a license tax until the first day of October following admission to the bar. The license tax shall be paid to the Secretary of the Board of Bar Commissioners of the Alabama State Bar. The funds collected for the issuance of the license tax levied shall constitute a separate fund to be disbursed on the order of the Board of Commissioners of the Alabama State Bar. As soon after the first day of each November as practicable, the Secretary of the Alabama State Bar shall certify to the presiding judge of the circuit court having jurisdiction in the county the names of attorneys who have paid the license fee.

- (b) The license taxes shall be due and payable on October 1 of each year and shall be delinquent on the following November 1. If a license is delinquent, the Secretary of the Board of Bar Commissioners of the Alabama State Bar shall assess and collect a penalty of 15 percent of the amount of the license. The penalty shall be paid when the license is issued.
- (c) Section 40-12-10, relating to the collection and distribution of business license taxes shall not be applicable to license taxes provided in subsection (a).

 **Interpretations**

This license is not collected by Alabama counties, but by the State Bar Association (1-800-354-6154). No licenses or citations are to be issued under this section.

**§40-12-50
Auctioneers
State Board of Auctioneers (334) 420-7235**

Auctioneers and apprentice auctioneers shall pay annual license taxes in accordance with Chapter 4 of Title 34.

 **Statute Text**

§34-4-27. <S> State and county licenses Exemptions. – Each auctioneer shall annually pay one state license in an amount not to exceed two hundred fifty dollars (\$250). Each auctioneer shall also annually pay a county license of twenty-five dollars (\$25) in each county where he or she sells by auction. No privilege license shall be required for any apprentice auctioneer when he or she is listed as the principal auctioneer. No license shall be required for any auctioneer who conducts an auction, without compensation for himself or herself, where all proceeds from the auction go to the benefit of any charitable organization. The term "auctioneer" shall include any person selling real estate, goods, wares, merchandise, automobiles, livestock, or other things of value at public outcry. Sales at public outcry may be made for compensation without license involving any of the following:

- (1) Sales for the estate of a decedent.
- (2) Sales of property conveyed by deed of trust, mortgage, judgment, or ordered to be sold according to the mortgage, judgment, or order.
- (3) All sales under legal process.

 **Interpretations**

- Counties are only to sell the county license, at \$25 plus issuance fee in each county where auctions are conducted. The entire amount is county money.
- The state license is issued by the Auctioneer Board, and applicants must have the state card before county licenses are issued.
- No privilege license shall be required for any apprentice auctioneer.

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

§40-12-51
Automobile Dealers

Each person dealing in, selling, or purchasing for resale automobiles, trucks, or other self-propelled vehicles shall pay an annual license of:

City Population	License Amount	Fee	Total
Over 50,000	\$210	\$1	\$211
25,000 to 50,000	\$150	\$1	\$151
10,000 to 25,000	\$120	\$1	\$121
5,000 to 10,000	\$97.50	\$1	\$98.50
2,500 to 5,000	\$75	\$1	\$76
2,500 and less	\$45	\$1	\$46
In all other places whether incorporated or not	\$45	\$1	\$46

The above license taxes shall be paid by each dealer, each agent, or other person, except agents of a dealer who have procured the licenses required in the above section.

Provided, that a person maintaining more than one place of business in the same city or town for the sale of automobiles, trucks, or other self-propelled vehicles shall pay an additional license tax of one-half of the license tax levied on his principal place of business for each additional place of business; provided, that the licensed dealer may maintain a used car lot for the sale or use of secondhand cars without the payment of an additional license tax. Upon the payment of the license tax prescribed in this section, such dealer shall not be required to pay the license tax as provided in Sections 40-12-53 through 40-12-55, 40-12-60, 40-12-62 and 40-12-169.

 **Interpretations**

- Except for lease/rental companies, applicants must present their Master Dealer License to the county licensing official before being sold Section 51. Please contact the **Motor Vehicle Division** at 334-242-9000 or MVD@revenue.alabama.gov for Master Dealer License requirements.
- A leasing/rental company which is disposing of its off-lease cars by retailing to the public will need the Section 51. If the leasing company is disposing of its cars through a local licensed automobile dealer (wholesale), it does not need a license under Section 51.
- Section 51 is not required for banks, credit unions, and finance companies and pawnshops selling repossessed vehicles.
- Sellers of motorcycles, golf carts, etc. need Section 62 unless they receive motor vehicles as trade-ins. If motor vehicles are received as trade-ins, the motorcycle shop will need to be licensed Section 51.
- A Section 51 is not transferable to another county.
- If a dealer moves to a new location in the same county which requires a higher license, he must pay the difference. If he moves to a new location in the same county which requires a lower license, there is no refund of the difference.
- If the dealer has a second location in the same city, he can purchase a license for half of the price of the first location. If he is out of the city limits, he must pay the full price (\$45) for each location. The 1/2 amount for a second location within a city cannot be combined with the half year's license after April 1.
- There is no half-year license for a second location even if the second location opens after April 1.
- Persons engaged in dealing, selling, or purchasing for resale "mini trucks" are required to obtain a Section 51.
- All auto auctions must present a Motor Vehicle Auction License to a county licensing official before being sold a Section 51.
- Dealers' tags must be purchased from the Alabama Department of Revenue, Motor Vehicle Division. The county no longer issues dealers' tags.

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

§40-12-53
Automobile Accessory Dealers

Each person selling motor vehicle accessories, including automobile radios, air conditioning units, motor vehicle parts, motor vehicle batteries and tires, shall pay the following annual license tax:

City Population	License Amount	Fee	Total
Over 100,000	\$60	\$1	\$61
25,000 to 100,000	\$45	\$1	\$46
5,000 to 25,000	\$30	\$1	\$31
2,000 to 5,000	\$15	\$1	\$16
All other places, whether incorporated or not	\$7.50	\$1	\$8.50

Regularly licensed filling stations or garages are not required to pay the above accessories license tax if their stock of accessories at any time does not exceed the wholesale value of \$75.

 **Interpretations**

- This section applies to wholesale as well as retail sales of parts/accessories. Brokers also need this license if they fill orders for parts. Brokers who merely negotiate sales do not need it.
- Licensees under Section 51 are exempt from this section.
- Automotive Dismantlers and Parts Recyclers are exempt from this section when selling recycled parts/accessories. This section is still required of a dismantler who sells new parts. Contact the Motor Vehicle Division at 334-242-9000.
- Installation of parts/accessories requires Section 54, except for licensees under Section 51.
- This section is not required when a licensed service station or garage makes no sales of parts or accessories to the public but maintains a stock of parts/accessories for use in repairing vehicles. It is also not required if the station/garage orders parts, as needed, from a supplier for installation on a vehicle, but makes no sales of uninstalled parts. This is true even if a specific charge is made for the parts, on the repair statement.
- Licensed service stations and garages may sell uninstalled parts/accessories without buying this section, so long as the wholesale value of their stock of accessories does not exceed \$75 at any time.
- Sellers of C.B. and other car radios need this section unless licensed under Section 148.
- Examples of parts/accessories which require this license:

Mufflers	Automobile Seat Covers	Trailer Hitches
Vehicle Tape Players	Auto Alarms	Stereo Systems
Camper Shells	Lifts for Vans for Handicapped	Motors and Transmissions
Parts and Accessories for Self-Propelled Tractors	Cycle and Luggage Racks	
Cell Phone Car Kits	Automobile Bumpers	
Air-Conditioners	Batteries	
	Automobile Blocks	

- This section is not needed to sell only the following:

Oil and Filter Only	Oil Additives	Anti-Freeze
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A.C. generators to be used on boats, trucks, or other motor vehicles

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

§40-12-54
Automobile Garages and Shops

Garages or shops where automobiles or other motor vehicles are repaired, painted, trimmed or welded for the public shall pay the following license taxes:

License	Amount	Fee	Total
First Man	\$7.50	\$1	\$8.50
Each additional man	\$7.50	none	\$7.50

Where garage or shop owners do work in shops they shall be counted as workmen. The maximum number of men employed at any time during the license year shall be the basis of computing the license due.

 **Interpretations**

- This section is needed for each location, including service stations and people working from their home. Mechanics working exclusively from a truck doing repairs at the customer's location are not subject to this license.
- Examples of repairs which require this license:

Window Tinting	Installing Parts/Tires	Motorcycle Repairs
Installing Auto Alarms	Installing Lifts for Vans for Handicapped	

- This section is not needed to do the following:

Change Oil and Filter	Wheel Alignments	Repair Tractors/Farm Machinery
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- This section is required for motorcycle repair from a fixed location; however, this section is not required for boats and airplanes.

§40-12-55
Automobile Storage Garages

For each garage where a charge is made for the storage of motor vehicles there shall be a license of:

	License Amount	Fee	Total
For each 1,000 square feet or fraction thereof up to 50,000 square feet	\$3	none	\$3
For each 1,000 square feet or fraction thereof in excess of 50,000	\$1.50	none	\$1.50

\$1 ISSUANCE FEE TO BE ADDED TO TOTAL AMOUNT

 **Interpretations**

- It makes no difference if the time period for the storage charge is hourly, daily, monthly, or otherwise.
- Automotive Dismantler and Parts Recyclers are exempt from this section.

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

§40-12-56
Automobile Storage Other Than in Garages

Each lot or place other than a storage garage where a charge is made for storage of motor vehicles shall pay the following annual license tax:

	License Amount	Fee	Total
For each 1,000 square feet or major fraction thereof up to 50,000 square feet	\$1.50	none	\$1.50
On each 1,000 square feet or major fraction thereof in excess of 50,000 square feet	\$.75	none	\$.75

\$1 ISSUANCE FEE TO BE ADDED TO TOTAL AMOUNT

 **Interpretations**

- This section covers public parking decks (single and multiple decks) where a charge is made for parking.
- It does not cover a building which furnishes parking, without charge, for tenants or persons having business in the building.
- It makes no difference if the time period for the charge is hourly, daily, monthly, or otherwise.
- Trailer camps are not required to be licensed (campgrounds).

§40-12-57
Automobile Tire Retreading Shops

Retreading or tire rebuilding shops where motor vehicle tires are retreaded shall pay a license tax of:

License Amount	Fee	Total
\$30	\$1	\$31

 **Interpretations**

- A licensee under this section may sell the tires that have been recapped by him without a section 53.

§40-12-58
Barbers

Each person engaged in the business of operating a barbershop shall pay a license fee of:

	License Amount	Fee	Total
For first chair	\$3.75	\$1	\$4.75
Each additional chair	\$3.75	none	\$3.75

 **Interpretations**

- A barbershop is limited to those facilities providing haircuts.
- If a barber gives perms, manicures, or facial treatments, he must be licensed under Section 61 - beauty shops.
- Check with Alabama Board of Cosmetology and Barbering for additional licensing requirements.

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

§40-12-59
Baseball Parks

Each owner or lessee of a baseball park where admission fees are charged shall pay the following license taxes within five miles of, or in cities or towns of:

City Population	License Amount	Fee	Total
50,000 or more	\$150	\$1	\$151
25,000 and less than 50,000	\$75	\$1	\$76
10,000 and less than 25,000	\$37.50	\$1	\$38.50
Less than 10,000	\$15	\$1	\$16

provided, that when baseball is allowed by law to be played in any city or town on Sunday, the license tax therefore in such city or town shall be double the amount hereinbefore named.

This section shall not apply to baseball parks owned or maintained in good faith by educational institutions located in this state. The provisions of this title permitting the payment of a half-year license after April 1 shall not apply to this section.

 **Interpretations**

- No half-year license.
- Playing on Sunday doubles the license amount.

§40-12-60
Battery Shops

Each battery shop for the repairing and recharging and selling of batteries shall pay the following license taxes:

City Population	License Amount	Fee	Total
Over 60,000	\$30	\$1	\$31
16,000 and not over 60,000	\$22.50	\$1	\$23.50
5,000 and not over 16,000	\$15	\$1	\$16
In all other places whether incorporated or not	\$7.50	\$1	\$8.50

The above license shall not apply unless a complete battery service is rendered. Each manufacturer of batteries shall pay a license of:

License Amount	Fee	Total
\$150	\$1	\$151

provided, that such manufacturer paying the license hereunder shall not be required to pay the license under Section 40-12-172.

 **Interpretations**

- The exception applies only to county where shop is located. Sections 174 and 53 are needed in other counties.
- A shop must repair, recharge, and sell in order to require this license. Selling batteries only is not a battery shop and requires Section 53.
- Selling batteries off the route trucks require Section 172 for the first county in which such company does business and an additional \$5 for each additional county under Section 172. Section 53 is required in each county other than the county in which the place of business is located, at the maximum amount.

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

§40-12-61
Beauty Parlors, etc.

Each person operating what is generally known as a beauty parlor or other place where hairdressing, facial treatments, manicuring, or hair waving is done shall pay a license tax of:

	License Amount	Fee	Total
Shop owner	\$15	\$1	\$16
Each additional operator so employed as follows:			
City Population	License Amount	Fee	Total
Over 60,000	\$9	none	\$9
Less than 60,000 and all other places whether incorporated or not	\$6	none	\$6

This schedule of fees shall apply to beauty parlor colleges where said colleges engage in beauty parlor work for which a charge is made or material used is charged therefor.

 **Interpretations**

- One license should be issued so as to include the license of \$15 and the amount necessary to include the number of operators working in such shop. Example: "Birmingham Beauty Shop. Shop with four operators \$51."
- It is not required to see the certificate from the Alabama Board of Cosmetology and Barbering when issuing this license.
- This section covers hair removal.
- If the beauty parlor is owned by a partnership, the exemptions for the operator's license (shop owner) only apply to one person. The \$9 fee must be added for additional owners.
- This section is needed even if one is operating from home.
- If a manicurist is employed in a beauty shop, this section is needed.
- Persons providing cosmetology services at nursing homes, hospitals and homes would be required to purchase the \$15 license.

§40-12-62
Bicycle and Motorcycles

Each person other than licensee under Section 40-12-51 engaging in the business of dealing in, renting or hiring bicycles or motorcycles shall pay the following license tax:

City Population	License Amount	Fee	Total
20,000 or over	\$22.50	\$1	\$23.50
10,000 to 20,000 inhabitants	\$15	\$1	\$16
In all other places, whether incorporated or not	\$7.50	\$1	\$8.50

 **Interpretations**

- This section covers golf carts, mopeds, go-carts, dirt bikes, three and four-wheelers.
- Contact the Motor Vehicle Division for Master Dealer License requirements.
- Dealers' tags must be purchased from the Alabama Department of Revenue, Motor Vehicle Division. The county no longer issues dealers' tags.

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

§40-12-63
Blueprint Makers

Each person engaging in the business of making blueprints or developing the same from tracings or drawings for pay shall, for engaging in such business, pay a license tax of:

License Amount	Fee	Total
\$22.50	\$1	\$23.50

 **Interpretations**

- This section covers developing blueprints from tracings or drawings for pay.
- It does not include making tracings only, which will ultimately be processed by a blueprint machine.

§40-12-64
Bond Makers

Each person engaged in the business of making bonds and charging for the same, except guaranty companies or corporations otherwise specifically licensed shall pay a license tax of:

License Amount	Fee	Total
\$150	\$1	\$151

per annum. The payment of the license tax required by this schedule shall authorize the doing of business only in the town, city, or county where paid. No person engaged in the business of making bonds and charging for the same shall be exempt from paying said license tax.

 **Interpretations**

- Insurance companies licensed with the Alabama Insurance Dept. may issue bonds without Section 64.
- Attorneys who arrange and sign bail bonds for their clients, including it in the attorneys' fees, do not need Section 64.
- A bond is required in each county from all who are licensed under this section. It is approved by circuit Judge of each county (Section 15-13-22). The bond amount is \$25,000 except Cullman and Montgomery Counties where it is \$10,000.
- Proof of a bond is not required before issuing this license; however, it is illegal for the company to operate without it.
- Bondsmen are required to have Section 64 in every county in which they do business regardless of whether or not the licensee has an established place of business.
- A license to engage in the business of making bonds may be issued to a firm or partnership and it is not necessary for each member of the firm or partnership to secure a license to engage in said business. However, when the bonds are not executed in the name of the bonding company but are executed in the names of the individuals who have authorized the attorney-in-fact to execute the same, each individual in whose name the attorney-in-fact executed the bonds would be engaging in the business of bond making and is liable for the license under Section 64.
- Bounty hunters are not required to have a separate privilege license, because there has to be a pre-existing bail bond which was "jumped" for the need for their work to exist, bounty hunters are normally considered employees of the bonding company.
- Contact the Alabama Professional Bail Bonding Board for additional licensing requirements.

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

§40-12-65
Bottlers

Each person engaged in manufacturing, producing, or bottling in bottles or other containers, soda water, carbonated drinks, fruit juices or imitations thereof, flavored milk, and any preparations known as soft drinks shall not use any machine, machines, or apparatus for the filling or bottling of the same until such person shall have first applied, paid for, and obtained from the probate judge a license. The amount of license tax for each machine shall be graded or proportioned as follows:

Bottling Capacity per minute	License Amount	Fee	Total
150 bottles and over	\$1,000	\$1	\$1,001
100 and less than 150	\$900	\$1	\$901
75 and less than 100	\$650	\$1	\$651
60 and less than 75	\$600	\$1	\$601
40 and less than 60	\$400	\$1	\$401
30 and less than 40	\$280	\$1	\$281
16 and less than 30	\$180	\$1	\$181
Less than 16 bottles	\$80	\$1	\$81

Where any person has within his bottling plant or place of manufacture more than one bottling machine, then such person shall pay the license herein specified upon every such bottling machine or apparatus whether in actual operation or not; provided, that such bottling machine or apparatus is in an operating condition.

The person applying for such license shall file an application, under oath, stating the name, make, model of his machine, name and address of manufacturer, whether it is low pressure equipment or high pressure equipment, or otherwise, contents, capacity of bottles used, and giving its bottling capacity.

"Capacity" shall be based on the number of six and one-half ounce bottles that may be bottled per minute as rated by the manufacturer, or the number of such bottles that are bottled per minute as determined by inspection and actual count, whichever may be greater. Where the machine or apparatus used in the filling and bottling of products covered by this section is also used in the filling and bottling of dairy products, the "capacity" of such machine or apparatus shall be based upon the percentage of time such machine or apparatus is used in the daily operation for the bottling of the products covered by this section. The percentage of time which the machine or apparatus is used for the bottling of products covered by this section shall be determined by inspection and actual count, and where the percentage of time used in the bottling of products covered in this section shall be 20% or less of the total operational time, the person so engaged in the bottling of products covered by this section shall pay 20% of the amount of the license as proportioned above based upon the number of six and one-half ounce bottles that may be bottled per minute as rated by the manufacturer. Any person using his bottling machinery for the bottling of dairy products and products covered by this section shall be taxed only upon that machine or machines which are used in the bottling of products covered by this section regardless of the number of machines which may be located within his bottling plant or place of manufacture. Bottlers paying the license hereunder where such business is engaged in bottling drinks exclusively shall be exempt from payment of transient dealer's license levied under Section 40-12-172 and wholesale bottler's license levied under Section 40-12-70.

 **Interpretations**

- The license is based and computed on the number of "bottles" filled by the bottling machines per minute, without regard to the size or the capacity of the bottles.
- Chocolate milk, strawberry milk, etc. is flavored milk but homogenized milk is not flavored. (Homogenized milk is not to be included in the computation for this license fee.)
- Prune juice packaging needs this section.
- Bottlers (having a bottling plant within Alabama) buying Section 65 shall be exempt from Sections 70, 172 and 174.
- Out-of-state bottlers must purchase Sections 70, 172 and 174, as needed, in order to sell their products in Alabama.
- If a company is bottling water only, the company is not required to purchase Section 65. Sections 172 or 174 may be applicable.

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

**§40-12-66
Bowling Alleys**

Bowling alleys or tenpin alleys for the use of which money or other compensation is charged shall pay a license tax of:

	License Amount	Fee	Total
First Alley	\$15	\$1	\$16
Each additional alley	\$15	none	\$15

 **Interpretations**

Even if the alley is coin operated, this license is due.

**§40-12-67
Brokers and Agents of Iron, Railway, etc. Supplies**

Each person, other than a merchant paying an ad valorem tax on his stock of goods, who shall as agent or broker sell iron, railway supplies, furnace supplies, or mining supplies, shall pay a privilege tax of:

License Amount	Fee	Total
\$37.50	\$1	\$38.50

 **Interpretations**

The brokerage company and not the salesmen or other employees of such company is responsible for the license.

**§40-12-68
Brooms, Brushes, Mops, etc.**

Each person operating a manufactory plant for the making of brooms, brushes, mops, or similar articles shall pay a license tax of:

License Amount	Fee	Total
\$15	\$1	\$16

provided, that this shall not apply to blind persons. Such license tax shall not apply where not more than three persons are employed for the making of said brooms.

**§40-12-69
Cereal Beverages, Carbonated or Other Soft Drinks; Retailers**

(a) Each person engaged in the business of selling at retail cereal beverages, carbonated or other soft drinks in bottles, cans, or other sealed containers shall pay an annual license tax of:

License Amount	Fee	Total
\$3.75	\$1	\$4.75

(b) Each person engaged in the retail business of selling soft drinks in whatever form, by means of taps or other dispensing devices, shall pay annually the following license taxes:

City Population	License Amount	Fee	Total
25,000 or more	\$37.50	\$1	\$38.50
15,000 and less than 25,000	\$30	\$1	\$31
5,000 and less than 15,000	\$22.50	\$1	\$23.50
Less than 5,000 and in unincorporated places	\$15	\$1	\$16

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

A person licensed under this subsection shall be thereby also licensed to sell at retail cereal beverages, carbonated or other soft drinks in bottles, cans, or other sealed containers without the payment of the license imposed in subsection (a) of this section.

 **Interpretations**

- Certificate from the county health department may be required.
- Bottles, cans, or other sealed containers require subsection a.
- Fountain drinks, snow cone, ice machines, taps and other dispensing devices need Subsection b.
- This section is required for sales of coffee.
- A person selling soft drinks through vending machines has the option of buying the license under this section, versus the vending machine license under Section 176a, provided, this license is purchased before the vending machine license becomes delinquent. If the licenses are delinquent, and a citation is needed, the vendor loses his option and is required to buy the vending machine license for each machine. If the vendor elects to buy the Section 69 license, a license must be purchased for each building or location where a machine or dispensing device is located.

§40-12-70

Cereal Beverages, Carbonated or other Soft Drinks; Wholesalers

Each person engaged in the business of selling at wholesale nonalcoholic, carbonated, or other soft drinks shall pay an annual license tax of:

License Amount	Fee	Total
\$75	\$1	\$76

provided, that bottlers who have taken out the bottle license for operating plants in this state shall not be liable under this section, nor shall such bottlers be liable for any county or state license under Section 40-12-174, nor as transient vendors or dealers or peddlers.

 **Interpretations**

- Licensees under Section 65 (bottlers) are exempt from Sections 70, 172 and 174.
- Out-of-state bottlers must purchase Sections 70, 172 and 174, as needed, in order to sell their products in Alabama.
- Where a wholesale soft drink dealer (who is not licensed as a bottler under Section 65) sells soft drinks to retailers from a truck, he must pay the license under Section 70 in each county in which he makes such sales, and he must also pay the regular transient dealer's license under Section 172 (first county \$35, each additional county \$5).
- Where such a dealer or his agents merely solicit or take orders from retailers for soft drinks to be filled with future deliveries by truck or otherwise, he would not be due the license under Section 172, nor would he be due any additional licenses under Section 70, other than for his established places of business.
- An independent dealer with his own truck who purchases the drinks from a bottling company for later sale at a profit is an independent dealer and a separate entity from the bottler. He would need Sections 70 and 172 in each county where he sells from his truck.
- Wholesalers of fruit juices, such as V-8 juices, etc., are not subject to the soft drink license if only selling these juices.

§40-12-71

Certified Public Accountants

(334) 242-5700

(a) In lieu of any other privilege license fees levied under the revenue laws of the State of Alabama, each person who holds a certificate as a Certified Public Accountant and who is a resident of the State of Alabama and who is engaged in the practice of Public Accounting in the State of Alabama shall pay an annual license fee of:

State Amount	Fee	Total
\$25	\$1	\$26

but no license fee shall be paid to the county. Such license shall be obtained from the probate judge or licensing agency in the county where the business of a Certified Public Accountant is located and shall be due and delinquent as provided by Section 40-12-26. All money paid into the treasury for license under this section shall be deposited in the State Treasury to the credit of the Alabama State Board of Public Accountancy and shall constitute a separate fund to be disbursed as provided in subsection (b) of this section.

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

- (b) The fund provided by subsection (a) of this section shall be used by the Alabama State Board of Public Accountancy to defray the expenses for administering and enforcing the laws of the State of Alabama pertaining to the practice of public accounting and the other necessary purposes and expenses of said board not otherwise available and provided pursuant to Section 34-1-3; and the said Alabama State Board of Public Accountancy shall have the power to direct the disbursement of said fund, which shall be paid on the warranty of the State Comptroller upon certificate or voucher of the secretary of said board, approved by the chairman or vice chairman of said board. No funds shall be withdrawn or expended except as budgeted and allotted according to the provisions of Article 4 of Chapter 4 of Title 41, and only in amounts as stipulated in the general appropriations bill.
- (c) No license fee as herein provided shall be due or payable by any Certified Public Accountant employed by any state or federal government agency, educational institution, or industry, who does not perform public accounting service for which he is paid.

 **Interpretations**

- This section is needed only for those persons registered with State Board of Public Accountancy, 334-242- 5700.
- The license is good statewide.

**§40-12-72
Cigars, Cigarettes, Cheroots, etc.; Retailers**

Each retail dealer in cigars, cheroots, stogies, cigarettes, smoking tobacco, chewing tobacco, or snuff, or any substitute therefor, either or all, shall pay to the state the following privilege license tax:

City Population	License Amount	Fee	Total
25,000 and over	\$22.50	\$1	\$23.50
10,000 and less than 25,000	\$15	\$1	\$16
5,000 and less than 10,000	\$7.50	\$1	\$8.50
2,000 and less than 5,000	\$4.50	\$1	\$5.50
All other places whether incorporated or not	\$3	\$1	\$4

This privilege license tax is levied on each place of business owned or operated by retail dealers, whether under the same roof or not. The phrase "retail dealer" as used in this section shall include every person, firm, corporation, club, or association, other than a wholesale dealer as defined in Section 40-12-73, who shall sell or store or offer for sale any one or more of the articles enumerated herein, irrespective of quantity or amount, or the number of sales. The privilege license tax herein levied shall be in addition to the sales tax as provided in Section 40-25-2.

 **Interpretations**

- Definition – **Cheroots** – A cigar with square-cut ends.
- Definition – **Stogie** – A long, thin, inexpensive cigar.
- A "retail dealer" includes every person who "sells or stores or offers for sale" the articles enumerated. The license is on each place of business owned or operated by retail dealers.
- Transient vendors and peddlers also selling tobacco products would need only Section 174 and not Section 72 because Section 72 is levied on each place of business.

**§40-12-73
Cigars, Cigarettes, Cheroots, etc.; Wholesalers**

Each wholesale dealer in cigars, cheroots, stogies, cigarettes, smoking tobacco, chewing tobacco, snuff, or any substitute therefor, either or all, shall pay one privilege license tax of:

	License Amount	Fee	Total
First county	\$105	\$1	\$106
Each additional county	\$5	\$1	\$6

The phrase "wholesale dealer" as used in this section shall include persons, firms, corporations, clubs, or associations who shall sell or store or offer to sell any one or more of the articles enumerated herein to retail dealers for the purpose of resale only. The privilege license tax herein levied shall be in addition to the sales tax as provided in Section 40-25-2.

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

↳ Interpretations

- Contact the Tobacco Tax Section at 334-242-9627 for additional information.
- Each wholesale dealer must purchase a license, even if he is just taking orders and shipping by mail or UPS.
- The person who offers to sell tobacco products to a retail dealer for the purpose of resale, is a tobacco wholesaler, regardless of whether these products were purchased from other licensed wholesale tobacco dealers.
- A person who purchases a wholesale tobacco license under Section 73, is exempt from the transient dealer's license (Section 172), for tobacco products only. If selling products in addition to tobacco products, he would need Section 172 and/or specific item licenses (wholesale), in addition to Section 73.
- Purchasing Section 172 does not authorize the dealer to sell any goods for which a higher license is required without the payment of the higher license. Section 172 is \$35 and \$5 ; Section 73 is \$105 and \$5 .

**§40-12-74
Circuses**

Each person operating a circus shall pay the following license tax:

NO HALF-YEAR LICENSE

Seating Capacity	License Amount	Fee	Total
4,000 and more	\$300	\$1	\$301
2,000 and less than 4,000	\$150	\$1	\$151
Less than 2,000	\$75	\$1	\$76

and the license tax hereinabove provided shall include the license tax for a menagerie accompanying the circus. The payment of the proper license tax, as is herein provided, will entitle the circus to operate for one week in the same place and at the same time on the same license.

↳ Interpretations

- An Annual Shrine Circus is exempt from this license, by Section 40-9-13. This does not apply to a traveling circus sponsored by Shriners, but only to a circus in which the Shriners themselves participated as performers.
- This license is good for one week only, in the same place at the same time.
- A circus licensee also needs specific licenses, like Section 69 or Section 153.
- Fairs are licensed under Section 163.
- Rodeos are licensed under Section 111.

**§40-12-75
Cleaning and Pressing Establishments**

Each person conducting what is commonly known as a cleaning or pressing business, where wearing apparel is cleaned or pressed, shall pay a license tax of:

City Population	License Amount	Fee	Total
50,000 or more	\$22.50	\$1	\$23.50
10,000 and less than 50,000	\$15	\$1	\$16
In all other places of less than 10,000 whether incorporated or not	\$7.50	\$1	\$8.50

provided, that where dyeing is done singularly or in conjunction with the cleaning and pressing business, an additional amount of:

License Amount	Fee	Total
\$15	\$1	\$16

shall be due.

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

Each place maintained or operated for the reception or collection of such articles and not at the location of such pressing, cleaning, or dyeing plant paying a license as such shall pay a license tax of:

License Amount	Fee	Total
\$7.50	\$1	\$8.50

A person not having a place of business within the State of Alabama where such work is actually performed shall pay a license of:

License Amount	Fee	Total
\$22.50	\$1	\$23.50

for the reception and collection of such articles. (Acts 1935, No. 194, p. 256; Code 1940, T. 51, Section 487.)

 **Interpretations**

- Coin-operated dry cleaning machines would be subject to the license under Section 75 and not Section 176.
- If doing both cleaning and pressing and laundering would be due both Section 75 and Section 118.
- Out-of-state firms receiving and collecting articles for cleaning, pressing, and dyeing in the state are liable for Section 75 for such reception and collection in each county of the state in which articles are received and collected. Likewise out-of-state firms receiving and collecting articles for laundry are liable for a license under Section 118 in each county in the state in which such articles are received and collected.

§40-12-78
Coffins and Caskets; Manufacturers

Each manufacturer of coffins or caskets shall pay a license tax of:

License Amount	Fee	Total
\$150	\$1	\$151

This license tax shall not apply to any person who manufactures coffins or caskets without the assistance of any other person or without the assistance of hired labor and which coffins or caskets retail for not exceeding \$10. This section shall not apply to local wood working plants or carpenter shops whose principal business is not the manufacturing of coffins or caskets and who make coffins for paupers for local governing bodies or for charity.

 **Interpretations**

- A vault is not a coffin or casket. A manufacturer of vaults shall be required to obtain Section 87.
- Sections 78 and 79 do not exclude each other, and one could be licensed under both if he buys and sells and also manufactures (employing one or more persons).

§40-12-79
Coffins and Caskets; Dealers and Agents

Each dealer in coffins or caskets and each agent or person taking or soliciting orders for retail deliveries of coffins or caskets shall pay the following license tax:

City Population	License Amount	Fee	Total
35,000 or more	\$150	\$1	\$151
7,000 and less than 35,000	\$75	\$1	\$76
1,000 and less than 7,000	\$30	\$1	\$31
In unincorporated places or towns of 1,000 or less	\$15	\$1	\$16

 **Interpretations**

- This includes funeral homes and any other casket dealers.
- An insurance company which places coffins/caskets in various funeral homes on consignment, to service their own insurance policies, which coffins and caskets may also be purchased by the various funeral homes for resale to their customer, may purchase one Section 79 for their place of business (insurance company location), provided such funeral homes are licensed under Section 79. Funeral homes which have Section 79, at which the insurance company places coffins or caskets on consignment would not constitute a place of business of the insurance company.

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

§40-12-80 Collection Agencies

Each collection agency shall pay the following license tax:

City Population	License Amount	Fee	Total
20,000 or more	\$150	\$1	\$151
Less than 20,000	\$37.50	\$1	\$38.50

Each person who shall employ agents to solicit claims for collection from persons, firms, or corporations in the state shall be deemed a collection agency within the meaning of this section. This section shall not apply to any person who is excluded from the definition of the term "debt collector" under the federal Fair Debt Collection Practices Act, 15 U.S.C., §1692a (6).

Interpretations

- The license is due for each place of business, and is based on the agency rather than number of agents who are employed by such agency.
- An out-of-state agency, soliciting accounts by letter and/or phone only, and having no agents in this state, does not need Section 80.
- If an out-of-state collection agency employs any agents in this state, they would be subject to Section 80. An agent can include but is not limited to, an employee of the agency, an attorney licensed in this state on retainer or retained on a special case by case basis, another agency located in this state acting in the behalf of the out-of-state agency or anyone located in this state acting in behalf of the out-of-state agency.
- No license is required when an agent enters the state solely for the purpose of soliciting clients.
- If a person contracts with different companies to repossess cars, and solicits claims for collection, then he is subject to Section 80.
- A person who employs agents to repossess cars only is not subject to 80, but if the agent solicits claims for collection while repossessing them, then the person employing the agent would be liable for Section 80.
- A collection agency is defined in accordance with the definition provided by the Federal Fair Debt Collection Practices Act.

Fair Debt Collection Practices Act, 15 U.S.C., §1692a (6) – "The term "debt collector" means any person who uses any instrumentality of interstate commerce or the mails in any business the principal purpose of which is the collection of any debts, or who regularly collects or attempts to collect, directly or indirectly, debts owed or due or asserted to be owned or due another. Notwithstanding the exclusion provided by clause (F) of the last sentence of this paragraph, the term includes any creditor who, in the process of collecting his own debts, uses any name other than his own which would indicate that a third person is collecting or attempting to collect such debts. For the purpose of this Section 808 (6), such term also includes any person who uses any instrumentality of interstate commerce or the mails in any business the principal purpose of which is the enforcement of security interests. " "

§40-12-81 Commission Merchants or Merchandise Brokers

Each commission merchant or merchandise broker shall pay one State license tax of:

License Amount	Fee	Total
\$37.50	\$1	\$38.50

Such payment shall be made in the county in which such commission merchant or merchandise broker maintains his principal place of business. Such license shall authorize such commission merchant or merchandise broker to do business in any county of the state without the payment of any further state or county license tax. The payment of the license tax in one county of the state as evidenced by the license certificate of the Probate Judge shall be sufficient.

Interpretations

- Definition – **Commission merchant** – has possession, but not title to the assets of another and sells them for the benefit of the owner. Commission merchants are responsible to the purchaser for delivery of title to the assets sold. The owner compensates the Commission Merchant for making the sale, and the purchaser may never know that he/she was not dealing with the owner.

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

- Definition – **Merchandise broker** – arranges a sale for the benefit of the owner without taking title or possession of the goods. He may be paid by either the buyer or the seller for arranging the transaction, and the seller has responsibility for delivery of title of the assets sold. This is frequently a regulated business, such as real estate, livestock, insurance, or securities.
- Only self-employed individuals or independent contractors can be licensed under this section. Individuals whose FICA is paid by the buyer or seller are employees (not self-employed) and would not need Section 81.
- Payment in one county will authorize you to do business in any county of the State of Alabama.
- A merchandise broker, but not a commission merchant, may be exempt from this license under interstate commerce. He must not represent any Alabama firms or out-of-state firm with goods stocked in Alabama. Goods must be shipped directly to purchaser by parcel post or common carrier. The broker cannot collect money for the sale, and there can be no delivery by private truck or company representative.

§40-12-82 Concerts, Musical Entertainments, etc.

Each concert, musical entertainment, public lecture, or other public entertainment where charges are made for admission, or for the use of any instrument or device or the participation in any exercises or entertainment not given wholly for charitable, school, or religious purposes, and not otherwise provided for:

License Amount	Fee	Total
\$15	\$1	\$16

but this provision shall not apply to exhibitions or entertainments given in theaters when the owners or managers thereof have taken out licenses as owner or managers; and provided further, that this license tax shall not be charged for any lecture course given as part of the course of instruction in any educational institution; provided further, that the provisions of this section shall not apply to chautauquas, lecture lyceums, or exhibits held under the auspices of religious or charitable associations. In all cases where such exhibitions shall be in the nature of a continuous show or performance, the license tax shall be:

	License Amount	Fee	Total
Per month	\$45	\$1	\$46
Per week	\$22.50	\$1	\$23.50
Per day	\$7.50	\$1	\$8.50

Interpretations

- This license covers an event or performance. A single performance is covered under the \$15 license. If an event is continuous, the daily, weekly, or monthly charges apply.
- No half-year's license is available.
- A gym where charges are made on a monthly, weekly, or daily basis requires no license, except possibly a store license if selling t-shirts or merchandise.

§40-12-83 Conditional Sales Contracts, Drafts, Acceptances, etc.; Dealers In

- (a) Each person engaged in discounting or buying conditional sales contracts, drafts, acceptances, notes, or mortgages on personal property shall pay an annual license tax as follows:

Capital Investment	License Amount	Fee	Total
500,000 and up	\$450	\$1	\$451
300,000 to 500,000	\$150	\$1	\$151
150,000 to 300,000	\$37.50	\$1	\$38.50
100,000 to 150,000	\$22.50	\$1	\$23.50
50,000 to 100,000	\$15	\$1	\$16
50,000 or less	\$7.50	\$1	\$8.50

the payment of which shall be sufficient to engage in business in any county of the state except the county in which the principal office is located, in which case the county license tax shall be one half of the above schedule.

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

- (b) Each person engaging in business of lending money on salaries or making industrial or personal loans shall pay an annual license tax of:

License Amount	Fee	Total
\$150	\$1	\$151

for each county in which he engages in business.

 **Interpretations**

- This section does not cover savings and loans, banks and credit unions. These are regulated by the Banking Department (334-242-3452) and exempted by the Federal government. Loan companies are covered.
- Section 83(a) covers the discounting or buying of conditional sales contracts, etc. Automobile dealers financing their own cars are not to be licensed under this section; but, persons who purchase notes from an automobile dealer are engaged in the business of discounting and are subject to Section 83(a).
- Only applicants with a fixed place of business in state are to be licensed under Section 83(a), and only one license is needed to operate throughout the state, regardless of the number of branches or other locations. It is levied in the county where the principal office is located.
- The license fee is based on total capital employed statewide during a license year. Capital employed refers to the total amount of money loaned during the year, determined by looking at the face amounts of all conditional sales contracts, drafts, acceptances, notes or mortgages on personal property.
- Section 83(a) is based on capital being employed. If a business needs both 83(a) and 83(b), and if the licensee can show that in fact the capital investment in the areas of his business covered by Section 83(a) is effectively separated from the capital used in other aspects of his business, then the amount of such separate capital should be accepted as the measure of the license.
- Section 83(b) covers making business or personal loans. It is to be purchased in each county in which the applicant has one or more offices. If more than one office is operated under one name within a county, one license is sufficient; however, where different trade names are used then a license is required for each place of business having a different trade name or different ownership. For instance, if Mr. Brown has two loan companies in the same county and both are known as Brown Loan Companies, he would only pay for one license; however, if one of the places of business is known as Brown Loan Company and the other is Brown & Jones Loan Company or by some other trade name then he would have to purchase two current licenses, one for each place of business.
- Check-cashing establishments which charge a fee and agree to hold the check or defer presentment of the check until sufficient funds are in the customer's account will need Section 83(b).
- Licensing of Mortgage Brokers: Code of Alabama 1975, Section 5-25-4 states that no person shall transact business in this state directly or indirectly as a mortgage broker unless he or she is licensed as a mortgage broker by the Banking Department (334-242-3452). There is an occupational tax administered by Corporate Tax.

§40-12-84
Construction Companies or Contractors

Any person, firm, or corporation accepting orders or contracts for doing any work on or in any building or structure requiring the use of paint, stone, brick, mortar, wood, cement, structural iron or steel, sheet iron, galvanized iron, metallic piping, tin, lead, electric wiring, or other steel, or any other building material, or accepting contracts to do any paving or curbing on sidewalks or streets, public or private property, using asphalt, brick, stone, cement, wood or other composition, or accepting orders for or contracts to excavate earth, rock, or other material for foundations or any other purpose, or accepting orders or contracts to construct any sewer of stone, brick, terra cotta, or other material, or accepting contracts to construct highways, bridges, dams, or railroads, shall be deemed a contractor. Every contractor shall procure from the Probate Judge of the county in which he has his principal office a license to carry on the business of a contractor; provided, that if such contractor has no such office in this state, then he shall procure such license from the Probate Judge of the county where the contract is to be performed. Every such

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

contractor shall pay a license tax to be ascertained on the basis of the gross amount of all orders or contracts accepted, exclusive of orders or contracts pertaining to state or county road and bridge projects, as follows:

Gross amount of contracts	License Amount	Fee	Total
Over \$200,000	\$375	\$1	\$376
\$150,000 to \$200,000	\$300	\$1	\$301
\$100,000 to \$150,000	\$225	\$1	\$226
\$50,000 to \$100,000	\$75	\$1	\$76
\$20,000 to \$50,000	\$37.50	\$1	\$38.50
\$10,000 to \$20,000	\$22.50	\$1	\$23.50
\$5,000 and not exceeding \$10,000	\$15	\$1	\$16

and, when such contractor shall have obtained a license for any year for which he has paid a license tax of less than the maximum above prescribed, he shall not accept any contract or contracts during such year, the aggregate amount of which exceeds the maximum amount for which his license was obtained, unless and until he shall have paid such additional sum as will make the total license tax paid by him for that year sufficient to cover the aggregate amount of such contract or contracts as prescribed above; and unless he pays such additional sum he shall be deemed to be acting without a license. The payment of the license tax in one county in the state, as evidenced by the license or official certificate of the Probate Judge, shall be sufficient.

Interpretations

- Licensees may also need to contact the Contractors Board (334-272-5030) or Home Builders Board (334-242-2230).
- No half-year's license is available. The fee for this license is based on the amount of contracts, regardless of the time of year when the contracts are executed. The license may be purchased at any time, prior to the signing of a contract. It is delinquent at the point the contract is signed, regardless of when the work is to be performed.
- If the maximum license is purchased during a year, contracts covering a specific building or project will not require a new license for the life of the contracts, if no new contracts are signed and the only work done during a subsequent year is performance of previously licensed contracts. However, if new contracts are accepted during the next license year, then a license is due for the new contracts. Revisions are considered part of the original contract. If a contract is open-ended, the contractor will need a Section 84 for all license years involved.
- The statute of limitations with regard to contractor's license does not run from Oct. to Sept. as do the annual licenses. The Statute of Limitations runs from the date the licenses become delinquent, which is the date a contract is accepted/or executed. These licenses can be cited at any time within three years from the date the contracts are signed.
- Contractors working on military reservations and other Federal lands are not exempt from licensing, unless the land was ceded prior to May 31, 1941. After this date, the state has reserved the right to tax contractors as well as other individuals working or situated thereon, where such taxes are otherwise due.
- The basis for determining the license tax for under Section 84 is the gross amount of all orders or contracts (including materials, labor, and subcontractors), regardless of any other privilege licenses purchased.
- A prime contractor and a subcontractor are each required to buy Section 84 based on the gross amount of their contracts. The person accepting the contract is not required to actually do the work himself.
- Each corporation needs a separate license, regardless of its affiliation with other corporations which may be licensed. Each d/b/a needs a separate license, even if owned by one individual or partnership. A joint venture needs a separate license, regardless of any licenses held by the venturers.
- Landscape companies who excavate earth for the planting of trees or shrubs, or the installation of sprinkler systems, etc., would require Section 84.
- An architectural firm which accepts a contract to design a building, and agrees to supervise the construction of the building, but does not agree to actually perform the work is engaged in the business of an architect (Section 48), not a construction contractor. He is not actually performing the work necessary to make an addition to real property.
- Contractors working on roads, bridges, or highways under a contract from the State Transportation Department are exempt from this license.
- Current holders of Class A, B, B-1, C, or D permit issued by the Liquefied Petroleum Gas Board, who only install gas piping are exempt from Section 84. The Board's number is 334-242-5649.
- Building speculative homes (those that the builder builds without a buyer, and are not presold) may be built without a Section 84, so long as no contract is signed before it is completed.
- This license is not needed for tinting building windows, digging graves, installing draperies and blinds, and cutting lawns.
- Per Section 34-31-24(a)(4) of the Code of Alabama 1975, "*No official charged with the duty of issuing licenses to any individual, partnership, or corporation to operate a business as a certified contractor shall issue such license unless there*

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

is presented for inspection a certificate of qualification as provided for herein issued by the Board to the individual or to some person in responsible charge with the partnership or corporation." Therefore, you must view the card issued by the Alabama Board of Heating, Air Conditioning and Refrigeration prior to issuing the contractor licenses.

- The following businesses may require a Section 84:

Plantation Shutters	Installs Burglar Bars	Backhoe
Sand and Refinish Hardwood Floors	Awnings	Cabinet Shop
Swimming Pool Installation	Building Company	Communications
Burglar Alarm Systems	Ceramic Tile	Drywall
Carpet Installation	Decks and Porches	Fence Company
Concrete Company	Excavating	Glass Company
Electrical Company	Garage	Heating and Air Conditioning
Floor Finishing	Insulation Company	Sheet Metal
Gutter Company	Roofing Landscaping	Masonry Company
Remodeling	Ornamental Doors and Windows	Painting Company
Home Improvement Company	Plumbing Company	Petroleum Tank Installation
Mechanical Company	Swimming Pools	Stained Glass Company
Paving	Utility	Vinyl Siding
Sprinkler System	Water Wells	Oil/Gas Wells
Tennis Courts	Demolition	Storm Windows and Doors
Wallpaper	Installing Computer Cables	Cleaning w/Chemicals
Contract Coal Miners	Tying Down Trailers	Manufactured Home Installations
Pressure Treating	Acoustical Alarm Systems	

§40-12-87 Cotton Seed Oil Mills, Cotton Mills, Factories, etc.

Every person operating a cottonseed oil mill; cotton mill; cloth mill; towel factory; garment factory; yarn mill; hosiery mill; peanut mill; peanut oil mill; peanut shelling plant; paper mill; pulp mill; mill manufacturing sheeting, rugs, bags, hats, cement, carpets, lime, plaster, soap, chemical, acid (other than fertilizer) explosive; and all mills manufacturing any finished or semifinished products of tobacco, thread, yarn, cloth, fur, felt, nylon, paper, jute, rubber, iron, iron ore, copper, brass, tin, coal, coke, sand, cement, glass, clay, slag, aluminum, bauxite, ore, grain, other than what is commonly called a grist mill, oats, corn, rye, synthetic rubber, stone, oil, crude oil, tar, resin, asphalt, paraffin, plastics, fibers, straw, cellulose, or other factory where materials are woven, made, or assembled shall pay the following license tax: where the investment for plant, equipment, supplies, and fixtures is:

Capital Investment	License Amount	Fee	Total
\$1,000,000 and over	\$300	\$1	\$301
\$500,000 and less than \$1,000,000	\$225	\$1	\$226
\$100,000 and less than \$500,000	\$150	\$1	\$151
\$50,000 and less than \$100,000	\$75	\$1	\$76
\$25,000 and less than \$50,000	\$45	\$1	\$46
\$15,000 and less than \$25,000	\$30	\$1	\$31
Less than \$15,000	\$15	\$1	\$16

Such investment shall be the total capital employed in such plant, and the person applying for such license shall furnish a sworn statement showing the amount of the investment and shall accompany the same with a statement taken from the books of the company, showing the amount of such investment, and such books shall at all times be subject to the inspection of the

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

Department of Revenue or its agents. The license taxes levied under this section shall not apply where the factory, mill, or plant which would be licensed by this section is covered by a specific license under this article.

Interpretations

- Manufacturing means to produce, convert, process or adapt some material, whether raw or semi-finished, into a different form or into a finished or semi-finished product.
- Rebuilding products from old products for resale to someone other than the original owner constitutes a manufacturing operation.
- Newspaper publishers that print their own newspaper are not subject to this section, unless the publisher prints papers for other publishers, or does job printing.
- If a manufacturer has more than one plant that performs the same function, only one license is needed for each county, provided there is one ownership, one business office, and one set of records.
- If different types of manufacturing are being done in each plant, a separate license is needed.
- Fixed assets are to be included in the total investment amount at the book value shown in the company's books and records. This should be the acquisition price, less accumulated depreciation.
- Rented assets are not to be included if they are not capitalized on the books and records of the company. If such assets are capitalized, they are to be included in the calculations, at book value.
- Completed inventory is not to be included in the calculations; however, goods in process, raw materials, and supplies are to be included. Accounts receivable is not to be included in the calculations.
- If the original investment increases during the license year an additional license should be procured before operations begin which include the additional investment.
- A jeweler may acquire gold and silver as salvage to use (not to sell) in the manufacture of jewelry without being a junk dealer required to purchase the Section 116. However, in that case the jeweler is a manufacturer and would be required to purchase the Section 87.
- Dental labs, bakeries (retail), natural gas treating plants, or plants for which a specific license is charged by another section do not need this license.

§40-12-88 Cotton Warehouses

Each person operating a warehouse or yard for the storage of cotton for compensation shall, for every such warehouse, pay a license tax based on the storage in the preceding calendar year, as follows:

Storage Amount	License Amount	Fee	Total
Over 30,000 bales	\$300	\$1	\$301
20,000 and not over 30,000	\$225	\$1	\$226
15,000 and not over 20,000	\$150	\$1	\$151
10,000 and not over 15,000	\$90	\$1	\$91
5,000 and not over 10,000	\$60	\$1	\$61
Not more than 5,000	\$30	\$1	\$31

§40-12-89 Credit Agencies

(a) Each person, firm, or corporation inquiring into and reporting on the credit and standing of persons, firms or corporations in this state shall pay the following license tax for each place of business:

County Population	License Amount	Fee	Total
Over 300,000	\$250	\$1	\$251
Over 200,000 but not over 300,000	\$200	\$1	\$201
Over 100,000 but not over 200,000	\$125	\$1	\$126
Over 50,000 but not over 100,000	\$75	\$1	\$76
All others	\$37.50	\$1	\$38.50

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

- (b) This section shall not apply to mutual trade organizations where credit information is exchanged among members at actual cost of service.
- (c) Where any person shall pay a license tax of \$250 for an office which supervises the operations of suboffices under its jurisdiction, no additional state license tax shall be due for such suboffice, but a county license tax of \$50 shall be paid in each county in which a suboffice is located.
- (d) The population shall be according to the last or any subsequent Federal decennial census.

 **Interpretations**

- This section covers furnishing and selling credit reports to a number of concerns.
- Where an organization maintains credit information for exchanging among its members and does not sell reports nor solicit business and the expenses are shared by its several members, without profits, then it would not be subject to this license.

**§40-12-90
Creosoting, etc.**

Each person operating a creosoting or other preservative treatment plant, where crossties, cross arms, poles, posts, or other lumber or timbers are creosoted or treated shall pay a license tax based on the capital invested in such plant for equipment, raw materials, finished materials, supplies, realty, and all personal property, as follows:

Capital Investment	License Amount	Fee	Total
\$50,000 or over	\$150	\$1	\$151
\$25,000 and less than \$50,000	\$112.50	\$1	\$113.50
\$5,000 and less than \$25,000	\$75	\$1	\$76
Less than \$5,000	\$30	\$1	\$31

**§40-12-91
Delicatessen Shops**

Each delicatessen where cooked foods are sold for consumption other than on the premises shall pay a license tax of:

License Amount	Fee	Total
\$15	\$1	\$16

 **Interpretations**

- Certificate from Health Department is a requirement before issuance of license, in all cases.
- Mini marts, etc. which sell packaged sandwiches out of a refrigerator do not need this license, even if the customer is allowed to heat the sandwich in a microwave.
- A bakery selling only bakery products, such as bread, candy, cake, pies, cake ornaments, etc., for off premises consumption would not be subject to this license even though these products are considered prepared food.
- This section is limited to establishments serving food for off-premises consumption. If a dining area is provided, a sandwich shop license (Sec. 153) or restaurant license (Sec. 151) is needed. If the menu consists solely of hot dogs, hamburgers, barbecue and other sandwiches, with only prepackaged sides (i.e., potato chips), a sandwich shop license is sufficient (Sec. 153).
- Purchase of this license does not exempt the purchase of any sections, other than Section 153. If articles of general merchandise are sold, a 315 is needed. Vending machine sales still require a 176a. Soft drinks, tobacco, and other items still require specific licenses.

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

§40-12-92**Dentists**

Each person practicing the profession of dentistry:

City Population	State Amount	Fee	Total
Over 25,000	\$25	\$1	\$26
Over 5,000 but not over 25,000	\$15	\$1	\$16
Over 1,000 but not over 5,000	\$10	\$1	\$11
In all other places whether incorporated or not	\$5	\$1	\$6

No license shall be paid the county. If such business is conducted as a firm or as a corporation in which more than one dentist is engaged, each dentist so engaged shall pay the license tax as above stated; provided, that the license tax imposed by the section shall not apply until such dentist shall have practiced his profession as long as two years. Seventy-five percent of all moneys paid into the treasury for licenses under this section shall be paid to the Secretary Treasurer of the Board of Dental Examiners each year. Such amounts shall be paid annually upon the warrant of the comptroller drawn on the treasury; said funds shall be used by the Board of Dental Examiners to defray the expenses of enforcing the laws of the State of Alabama relating to the practice of dentistry for other necessary purposes and expenses of such board and in the promotion of the arts and science of dentistry in the State of Alabama. As soon after the first day of each year as practicable, the State Treasurer shall certify to the secretary treasurer of the Board of Dental Examiners the names of dentists who have paid such license fee.

 **Interpretations**

- Dental laboratories do not qualify for this license.
- Dentists employed by a Government Institution are exempt from this license as long as they are engaged in their official duties and not treating patients in their free time.
- Dentists practicing in more than one city should purchase license for the city with the largest population.

§40-12-93
Detective Agencies

Each person engaged in the business of operating a detective agency, or each company or corporation doing business as such in this state, shall pay a license tax of:

License Amount	Fee	Total
\$150	\$1	\$151

Each person so engaged who also solicits or receives notes or accounts for collection shall pay an additional license tax of:

License	Fee	Total
\$150	none	\$150

 **Interpretations**

- An agency is not required to purchase a license in each county they operate in, only the counties where an office is maintained.
- An out-of-state agency sending a detective to do investigative work in this state and not maintaining an office, answering service, etc., whereby the general public could contact them to obtain services, would not require a license.
- Private investigators should contact the Alabama Private Investigation Board.
- Private investigators and security guards should contact the local authorities (sheriff or city hall) when doing business in a municipality as most municipalities require a license.
- A company providing guard service only is not required to procure this license.
- Part-time detectives are required to procure this license.
- Security guards should contact the Alabama Security Regulatory Board for licensing requirements.

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

§40-12-94
Developing and Printing Films

Each person engaged in the business of developing and printing Kodak plates or films, or camera plates or films, or other photographic films or plates shall pay a license tax of:

License Amount	Fee	Total
\$7.50	\$1	\$8.50

provided, that this license tax shall not be applicable to any person paying the photographer's license tax levied by this title.

§40-12-96
Directories

Each person compiling, selling, or offering for sale directories shall pay license taxes as follows:

City Population	License Amount	Fee	Total
Over 100,000	\$225	\$1	\$226
50,000 and less than 100,000	\$112.50	\$1	\$113.50
20,000 and less than 50,000	\$75	\$1	\$76
Less than 20,000	\$22.50	\$1	\$23.50

provided, that this section shall not apply to directories issued by any person in connection with or as a part of a business for which a general license tax is provided.

 **Interpretations**

- A directory is any book containing names, addresses, and occupations of inhabitants of a city. It is also any list or compilation, usually in book or pamphlet form, of persons, professional organizations, firms or businesses forming some class separate and distinct from others, e.g., telephone directory, lawyer's directory, hotel directory, etc.
- The method of production of a list or directory is not a factor in determining whether a license is required. Persons producing computer generated lists, or lists sold over the internet for downloading must still buy the license.
- An out of state company compiling a directory (telephone) for a city or town in Alabama would need this license. The information is being compiled based on information received through their agents, or they are causing said information to be compiled in a city or town in Alabama. The license is directed at some local activity such as the compiling of the directory, or information which goes into the directory, in Alabama, and as such is purely local activity within the State of Alabama.
- This section applies only where the directories are compiled, sold or offered for sales in "cities" or "towns." When a license is bought in a specific city or town, it covers the entire area comprising such city or town, and no additional Section 96 is needed for compiling sub-directories for communities or other localities within the boundaries of the city or town for which the license has been paid.
- No license is due for a newspaper, including a "legal" newspaper. Legal newspapers are defined as, newspapers published nationally and in major cities containing summaries of important court decisions, recently enacted or pending legislation or regulatory changes, and, locally, notices of bankruptcy, probate, foreclosure, divorce, etc. proceedings, and also news of general interest to the legal profession.

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

§40-12-97
Electric Refrigerators, Electric or Gas Heaters, etc.

For each dealer in electric, gas, or other mechanical refrigerators, electric or gas heaters, electric or gas water heaters, electric or gas stoves, or for each electrical or gas repair shop, or electrical or gas supply shop there shall be paid a license tax as follows:

City Population	License Amount	Fee	Total
Over 100,000	\$45	\$1	\$46
50,000 and less than 100,000	\$30	\$1	\$31
10,000 and less than 50,000	\$15	\$1	\$16
Less than 10,000 whether incorporated or not	\$7.50	\$1	\$8.50

 **Interpretations**

- This license includes walk-in refrigeration units.
- An entity engaged in selling, installing and repairing heating and air conditioning equipment would be required to purchase a license under this section, and Section 46.
- A repairman with no business location, repairing appliances in homes does not qualify for this license.
- If the repairman performed repairs in his truck this would constitute a "shop" and this license would be required.
- Microwave ovens, toaster-broilers and hot plates all qualify for this license.
- Repairs of VCRs, radios, TVs and vacuum cleaners do not require this license.

§40-12-98
Embalmers

Each embalmer shall pay an annual license tax of:

License Amount	Fee	Total
\$15	\$1	\$16

§40-12-99
Engineers

Each person practicing for the public the profession of civil, electrical, mining, mechanical, or radio engineering, shall pay an annual license tax of:

State Amount	Fee	Total
\$20	\$1	\$21

but no license shall be paid to the county. If such business is conducted as a firm or corporation in which more than one engineer is engaged, each engineer so engaged shall pay the license tax. No such engineer shall be required to pay this license tax until after he practiced his profession for two years in this state or elsewhere. An engineer who is an employee of the state or of any county or municipality at a fixed salary and who engages in no other engineering work for compensation is not subject to this license when so employed.

 **Interpretations**

- An engineer doing work for the public must purchase a license, whether he is a salaried employee or the business owner.
- Each engineer in a firm or corporation must purchase a license.
- One who only does survey work, but is not a civil engineer, is not liable for this license.
- An engineer employed by a firm that does only federal, state, county or city government work is not required to buy a license. However if the same engineer is also working on projects for the public, a license is required.
- Likewise, an engineer who is a government employee and does no other engineering work for compensation is not required to buy this license. However, if the same engineer is also working on projects for the public, a license is required.
- Any civil engineer although not qualified through the State Board of Engineers and Land Surveyors, but who does engineering work, is still required to purchase a privilege license.
- The issuance of privilege licenses is not governed by the rules and regulations set forth by the Board of Engineers.

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

§40-12-100
Fertilizer Factories

Each person owning or operating any fertilizer factory shall pay a license tax for each factory, based on the capital invested, as follows:

Capital Investment	License Amount	Fee	Total
Over \$100,000	\$375	\$1	\$376
Over \$50,000 to \$100,000	\$300	\$1	\$301
Over \$25,000 to \$50,000	\$150	\$1	\$151
\$25,000 or less	\$75	\$1	\$76

Each fertilizer mixing plant shall pay a license tax of:

License Amount	Fee	Total
\$22.50	\$1	\$23.50

 **Interpretations**

A dealer of fertilizer or like products is not required to purchase this license unless some sort of manufacturing or processing of fertilizer is being performed.

§40-12-101
Fire, Closing Out, etc., Sales

Each person, other than the original bona fide owners, selling goods, wares, or merchandise as an insurance, bankruptcy, mortgage, insolvent, assignee's, executor's, administrator's, receiver's, trustee's, removal, or closing out sale, or a sale of goods, wares, and merchandise damaged by fire, smoke, water, or otherwise, shall pay a license tax of:

License Amount	Fee	Total
\$150	\$1	\$151

NO HALF-YEAR LICENSE

The provisions of this section shall not apply to sheriffs, constables, or other public or court officers or to any other persons acting under the license, discretion, or authority of any court, state or federal, selling goods, wares, or merchandise in the course of their official duties.

 **Interpretations**

- Any person "other than the original bona fide owner" selling bankrupt stock or goods is liable for this license.
- If the sale of an entire stock of goods takes place in more than one county, a separate license is required for each county.
- If the seller has purchased a "going out of business" license from a city, this license is not needed.
- This section is not enforced by the state – only by probate judges.

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

§40-12-102
Fireworks

Each dealer in fireworks such as roman candles, sky rockets, torpedoes, firecrackers, cannon crackers, cap guns, devil wheels, and such other articles commonly known as fireworks shall pay the following license tax: in cities or within two miles of said cities of:

City Population	License Amount	Fee	Total
25,000 or more	\$75	\$1	\$76
10,000 and not more than 25,000	\$45	\$1	\$46
5,000 to 10,000 population	\$30	\$1	\$31
In all other places whether incorporated or not	\$15	\$1	\$16

 **Interpretations**

- Purchase of the license provided by this section does not legalize the sale of any fireworks. See Section 8-17-216 for procedures governing the issuance of permits for the legal sale of fireworks.
- The issuance of this license does not overrule any rules and regulations set forth by the State Fire Marshal, who has regulatory authority over the sale and use of fireworks.
- Have to have permit from Fire Marshal (334-241-4166 or www.firemarshal.alabama.gov) before issuing Section 102. A new permit is required each time the stand is taken down and put up again. Will need chain store license if a person has two or more stands.
- Each municipality has the power to regulate or prohibit the possession, sale or use of fireworks.
- The city police or county Sheriff has the responsibility of enforcing any statutes pertaining to fireworks in their jurisdiction.
- If a dealer is located two miles from a municipality, but the municipality is in a different county, the two-mile provision still applies and the license amount would be based on that city's population.
- A license is required for each location whether operating from a fixed location, truck or otherwise.
- A person, firm or corporation domiciled outside the state that takes fireworks orders that are delivered within the state is liable to purchase a license. The population of the city where the sale is made determines the amount of the license.
- No half-year license if business operates every year.

§40-12-103
Flying Jennies, Merry-Go-Rounds, etc.

For each flying jenny, called also hobbyhorses, and merry-go-rounds, roller coasters, or other devices of like character, there shall be paid a license tax of:

	License Amount	Fee	Total
Per year	\$75	\$1	\$76
Per month	\$30	\$1	\$31
Per week	\$7.50	\$1	\$8.50

in each place in which such device is operated, whether incorporated or not.

 **Interpretations**

- If a weekly or monthly license is issued, it will remain good for that period of time regardless of whether the license year ends during such period.
- This section covers items such as roller coasters, merry-go-rounds, flying jennies (also called hobby horses), moon walk, etc.
- Go-cart tracks are required to purchase a license for each track operated no matter how many go carts are used.
- This license is required for carnivals that have no midway and no admission is charged to the show grounds and there are no variety shows.
- A rental store that rents inflatable devices is not subject to this license.

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

§40-12-104
Fortunetellers, Palmists, Clairvoyants, etc.

Each fortuneteller, palmist, clairvoyant, astrologer, phrenologist, or crystal gazer, where any fee is charged directly or indirectly or any gratuity is accepted, shall pay a license tax of:

License Amount	Fee	Total
\$60	\$1	\$61

 **Interpretations**

- Definition – **palmist** – one who tells fortunes from the lines/marks on the palms.
- Definition – **clairvoyant** – one who has the power to perceive things that are out of the natural range of human senses.
- Definition – **astrologer** – study of the positions and aspects of heavenly bodies in the belief that they have an influence on the course of human affairs.
- Definition – **phrenology** – study of the skull based on the belief that it is indicative of character and mental capacity.
- An additional license fee is charged for any person engaging in the occupation, vocation or calling of fortuneteller, palmist, clairvoyant, astrologer, phrenologist or crystal gazer in Chambers County.
- It is unlawful for any person, for any fee or other valuable consideration, to engage in the practice of fortune telling, palmistry, mind reading, astrology, clairvoyance or any other practice involving the alleged foretelling of events or prophesying of the future, in Colbert County.
- A fortuneteller giving free readings, but selling other items pursuant to the reading being given, is still required to purchase a license as any fee charged directly or indirectly requires a license.
- If a business began after April 1, of any license year, a license may be issued on a one-half year basis.
- One state license is not sufficient for a fortuneteller to do business throughout the state and in each county in the state. Such fortuneteller must purchase a state and county license in each county they do business.

§40-12-105
Fruit Dealers

Each person selling fruit from a fruit stand, store, or other established place of business shall pay a license tax as follows:

City Population	License Amount	Fee	Total
Over 10,000	\$15	\$1	\$16
In all other places whether incorporated or not	\$7.50	\$1	\$8.50

This section shall not apply to regular merchants carrying fruit as a part of their stock of merchandise who do not display same in front of their place of business and whose ad valorem assessment on the stock of merchandise at the place where such fruit is sold is in excess of \$100.

 **Interpretations**

- Fruit includes apple, pear, orange, lemon, peach, plum, grape, banana, persimmon, pineapple, most berries, etc.
- Vegetables consist of the stem, leaves, or root of the plant. They include peas, beans, pumpkins, squash, eggplant, cucumbers, etc.
- Tomato, melon and rhubarb are regarded as both fruits and vegetables.
- Selling melons exclusively, retail or wholesale, would not subject one to this section.
- A fruit dealer that sells from a vehicle at approximately the same place each time would be required to purchase this license.
- A separate license is required for each fruit stand.
- Merchants displaying fruit in front of their store and not as part of their stock of merchandise are required to purchase this license.
- There is no exemption for homegrown fruits.
- Fruit, vegetables, wood and charcoal are exempt from Section 174.
- The license is based on the largest city.
- The grower's permits issued under Title 2, Chapter 29, are exempt from **municipal** business licenses. However, the exemption in Section 2-29-10 does not apply to state and county business licenses.

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

§40-12-106
Gasoline Stations and Pumps

Each person operating for profit a gasoline filling station or pump in cities or towns, or within three miles thereof, shall, on October 1, of each year, pay the following annual privilege tax:

City Population	License Amount	Fee	Total
100,000 and over –			
One pump or filler	\$42	\$1	\$43
Each additional pump	\$31.50	none	\$31.50
40,000 and less than 100,000 –			
One pump	\$31.50	\$1	\$32.50
Each additional pump	\$21	none	\$21
12,000 and less than 40,000 –			
One pump	\$27	\$1	\$28
Each additional pump	\$15	none	\$15
5,000 and less than 12,000 –			
One pump	\$21	\$1	\$22
Each additional pump	\$10.50	none	\$10.50
1,000 and less than 5,000 –			
One pump	\$10.50	\$1	\$11.50
Each additional pump	\$7.50	none	\$7.50
Less than 1,000 –			
One pump	\$5.25	\$1	\$6.25
Each additional pump	\$3.75	none	\$3.75
In all other places whether incorporated or not			
One pump	\$3.75	\$1	\$4.75
Each additional pump	\$3.75	none	\$3.75

 **Interpretations**

- The number of pumps is determined by the number of vehicles that can be filled simultaneously, despite the number of nozzles at each location. A machine that can pump gasoline from two nozzles simultaneously would be considered two pumps. A pump with three nozzles that can pump from only one nozzle at a time would be considered one pump.
- A person that has taken out a gasoline filling station license in one county and then moves the business to another county is required to purchase a new license.
- The population of the nearest city or town is the measure of the tax regardless of which county the city or town is located.
- The phrase "operating for profit" is not meant to exclude pumps which are open to the public or a part of the public, such as mills, factories or corporations selling gasoline at cost for employees. Even though the business is not organized for profit, a different sort of profit is attained.
- If any repairs to motor vehicles are performed, a garage license under Section 54, must be purchased.
- This license does not apply to pumps providing diesel fuel, propane or kerosene.
- If other merchandise or food or beverages are sold at the gasoline station, separate licenses must be procured to cover all of these other businesses.

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

§40-12-107
Glass

Each person whose principal business is the selling of plate glass or other glass shall pay the following license tax:

City Population	License Amount	Fee	Total
100,000 or more	\$75	\$1	\$76
Over 30,000 to 100,000	\$52.50	\$1	\$53.50
Over 7,000 to 30,000	\$30	\$1	\$31
All other places	\$15	\$1	\$16

 **Interpretations**

- One who maintains no place of business in this state, who operates solely from a truck and goes from place to place at the request of insurance companies is not subject to Section 107 or to Section 54.
- Section 84 is also needed if glass is installed in buildings.

§40-12-108
Golf, Miniature Golf, etc., Courses

Each person operating a golf course or courses where the game of golf, miniature golf, or a similar game is played, either indoors or out, where a charge is made, in cities or towns or within ten miles of the city limit thereof, shall pay the following:

City Population	License Amount	Fee	Total
35,000 or over –			
For each golf course	\$60	\$1	\$61
For each miniature golf or similar game	\$22.50	\$1	\$23.50
Over 10,000 but not over 35,000 –			
For each golf course	\$30	\$1	\$31
For each miniature golf or similar game	\$15	\$1	\$16
Over 500 but not over 10,000 –			
For each golf course	\$15	\$1	\$16
For each miniature golf or similar game	\$7.50	\$1	\$8.50
In all other places, whether incorporated or not –			
For each golf course	\$7.50	\$1	\$8.50
For each miniature golf or similar game	\$3.75	\$1	\$4.75

This section shall not apply to municipally owned and operated golf courses or tables, nor to regularly organized clubs or other private organizations maintaining and operating a golf course or tables for the use of its members only.

§40-12-110
Hide, Fur, etc., Dealers

Each person dealing in hides or furs, whether principal business or not, shall pay the following license tax:

County Population	License Amount	Fee	Total
100,000 or over	\$37.50	\$1	\$38.50
40,000 and less than 100,000	\$30	\$1	\$31
Less than 40,000	\$22.50	\$1	\$23.50

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

The license herein fixed shall not apply to persons dealing in cattle, sheep, goat, or horse hides.

 **Interpretations**

- A license is required for each county in which a person engages in the business of dealing in hides or furs, whether the principal business or not.
- A person with a fur dealer's license may hire other men to buy furs for him provided such men do not maintain or buy from an established place of business separate and apart from the place of business for which the employer has bought the fur dealer's license, and provided further that purchases so made by them are confined to the county in which the employer has purchased his license.

§40-12-111
Horse Show, Rodeo, or Dog and Pony Shows

Every horse show, rodeo, dog and pony show, or like exhibition or show, where any charge is made therefore, shall pay a license tax of:

License Amount	Fee	Total
\$37.50	\$1	\$38.50

for each day of performance.

 **Interpretations**

- Charity events are not exempt from procuring this license unless expressly designated in the code.
- Any horse show for which admission is charged and which is not held in connection with a state or county fair or agricultural show is subject to this license.
- This license does not apply to stock, kennel or poultry show or exhibits of agricultural implements, farm products livestock and athletic prowess (superior skill or ability, superior strength, courage or daring).

§40-12-112
Horse, Mule, etc., Dealers

Each person engaged in the business of buying, selling, or exchanging horses, mules, jacks, or jennets, shall pay a license tax of:

License Amount	Fee	Total
\$30	\$1	\$31

in each county where such person engages in said business.

 **Interpretations**

- A dealer must be engaged in the business, not one who occasionally or incidentally falls within the category.
- Boarding horses does not require a license.

§40-12-113
Ice Cream

Each manufacturer of ice cream who sells any part of his output at wholesale shall pay the following license tax:

City Population	License Amount	Fee	Total
35,000 or more	\$75	\$1	\$76
7,000 and less than 35,000	\$15	\$1	\$16
In all other places	\$7.50	\$1	\$8.50

Nothing in this section shall apply to soda fountains and places of like character where the owner or proprietor manufactures ice cream exclusively for service at his established place of business.

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

**§40-12-114
Ice Factories**

Each ice factory shall pay an annual license tax of:

License Amount	Fee	Total
\$1.50	none	\$1.50

for each ton capacity per day.

 **Interpretations**

- The \$1 issuance fee is to be added to the total amount.
- No license is required if a person is only distributing ice and has no involvement in the manufacturing of ice.

**§40-12-115
Innkeepers and Hotels**

Each person keeping a public inn or lodging house of five or more bedrooms where transient guests are lodged for pay shall be deemed for the purposes of this title to be engaged in the business of keeping a hotel. A transient guest is one who puts up for less than one week at such hotel, but such a house is no less a hotel because some of the guests put up for longer periods than one week. Every person keeping a hotel, as defined in this section, shall pay an annual license tax as follows:

License Amount	
100 rooms and over	\$3 per room
50 rooms and less than 100	\$2.25 per room
Over 15 rooms and less than 50	\$1.50 per room
5 rooms and not over 15	\$.75 per room

\$1 ISSUANCE FEE TO BE ADDED TO TOTAL AMOUNT

If meals, food or refreshments are served to the general public and charged for, then the additional license required to be paid by restaurants, cafes, lunch counters, and public eating houses shall be paid. Where cottages or annex are operated in connection with or rented by such hotel, this section shall apply to the total of the rooms in the hotel and the cottages and annex.

 **Interpretations**

- Hospitals that make empty hospital rooms available to families and friends of terminally or critically ill patients for a nominal fee would not qualify for this license.
- The operator of an establishment that qualifies as a hotel, as defined, would be liable for the license tax even if building was primarily designed and partially used as an apartment building. The amount of tax would be calculated on all of the rooms in the building regardless of the fact that some of the rooms were used as apartments for permanent tenants.
- A license would be required for either single family residences or individual condo units with 5 or more bedrooms that provide lodging for transient guests. The license must be purchased in the name of property owner.
- A boarding house where meals are served only to regular boarders who are in occupancy for at least one week or longer is not liable for this license or the license required for restaurants.

**§40-12-116
Junk Dealers and Car Crushers**

(a) Each junk dealer in all places, or within ten miles thereof:

City Population	License Amount	Fee	Total
50,000 and over	\$225	\$1	\$226
20,000 and less than 50,000	\$112.50	\$1	\$113.50
10,000 and less than 20,000	\$75	\$1	\$76
3,000 and less than 10,000	\$45	\$1	\$46
1,000 and less than 3,000	\$30	\$1	\$31
Less than 1,000 whether incorporated or not	\$15	\$1	\$16

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

Each junk dealer, his clerk, agent or employee shall keep a book open to inspection in which he shall make entries of all articles of railroad iron or brass, pieces of machinery and plumbing material, automobiles, automobile tires, parts and accessories, or other articles purchased by him, together with the name of the party from whom purchased, and upon failure to keep such book or record and produce it on demand, the dealer shall forfeit his license. Each junk dealer, his clerk, agent or employee to whom any new and unused articles of railroad brass and iron, pieces of machinery, automobiles, automobile tires, parts and accessories or other articles shall be presented for sale shall notify the police authorities that such articles are offered for sale, within a reasonable time thereafter; otherwise his license shall be forfeited. Any junk dealer whose place of business is within ten miles of more than one city, shall pay the license as provided herein for the larger of the cities within ten miles.

- (b) Any person or company operating car crushing equipment, other than licensed junk dealers, automotive dismantlers, and parts recyclers and secondary metals recyclers as defined in Section 13A-8-30, shall pay a license fee, on an annual basis of:

License Amount	Fee	Total
\$300	\$1	\$301

per piece of car crushing equipment. The provisions of this title permitting the payment of a half-year license after April 1 shall not apply to this section. Furthermore, any additional car crushing equipment acquired during the license year shall require an additional license in accordance with this section. Anyone operating car crushing equipment without a license shall be guilty of a Class C felony and such equipment shall be subject to forfeiture to law enforcement. Upon proper process and hearing as required by the State of Alabama in forfeiture proceedings, including notifying any lienholders, the car crushing equipment may be seized and held for forfeiture, as described in Section 32-8-87. In addition to any punishment rendered, each person convicted shall be subject to the laws regarding restitution of the state. For purposes of this section, car crushing equipment means a machine that compacts or flattens a motor vehicle into a crushed motor vehicle and is designed to be transported on a highway; and a crushed motor vehicle means a motor vehicle, the frame or unibody of which is compacted or flattened so that it no longer resembles any particular year, model, or make of motor vehicle and is less than half of the motor vehicle's original volume as measured in cubic feet.

Interpretations

- The terms used in this section will be given the commonly understood or dictionary definitions or the generally accepted usage of such words.
- There is no distinction between a junk dealer selling retail or wholesale.
- If a person, having no established place of business in this state, is buying junk in this state, but not selling it in this state, he is not required to have a junk dealer's license.
- Any permits or licenses required for junkyards, whether issued for highway beautification or health reasons, are regulatory licenses. They have no impact on the purchase of this license, a revenue measure.
- Dealing in items of gold and silver by content (quality or weight) rather than form (coins, jewelry, etc.) does constitute dealing in junk, and requires the purchase of this license.
- Gold and precious metal dealers see Code of Alabama 1975, Title 8, Chapter 34.
- A coin dealer dealing in coins of value whereby the coins are bought and sold based on the value as a coin and not the value of the metal, where there is no intent to process the metal into another commodity, would not be a junk dealer.
- Likewise, jewelry bought and sold as new or used jewelry is not dealing in junk unless the unit of account is related to the salvage value of the metals.
- A jeweler may acquire gold and silver as salvage to use (not to sell) in the manufacture of jewelry without being a junk dealer required to purchase Section 116. However, in that case the jeweler is a manufacturer and would be required to purchase the Section 87 license.
- A person in the business of purchasing junked or worn-out automobiles and selling the usable parts thereof or selling the automobiles as a unit, is required by Act 79-756 to be licensed as a Dismantler and Parts Recycler.
- A person, other than a licensed Dismantler and Parts Recycler, may deal in junk automobiles only when they are crushed and sold as scrap (for the value of the base materials). He may not sell usable parts from them, nor sell junk vehicles as a unit, without becoming a licensed Dismantler and Parts Recycler.
- For each piece of car crushing equipment that has a business license, a person must obtain another county business license when such equipment is used in a different county than the initial county.

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

§40-12-117
Laundered Towel, Apron, etc., Rentals; Diaper Services

- (a) Each person renting or supplying laundered towels, aprons, coats, linens or supplying other similar service, except those persons engaged in the business of renting diapers who do not rent or supply laundered towels, aprons, coats or linens shall pay the following license tax:

City Population	License Amount	Fee	Total
100,000 or over	\$75	\$1	\$76
60,000 and less than 100,000	\$52.50	\$1	\$53.50
25,000 and less than 60,000	\$37.50	\$1	\$38.50
10,000 and less than 25,000	\$22.50	\$1	\$23.50
All other places whether incorporated or not	\$15	\$1	\$16

This section shall not apply to regular laundries which have paid the licenses on laundries levied by this title.

- (b) Each person furnishing diaper service or laundered diapers shall pay a license tax of:

License Amount	Fee	Total
\$75	\$1	\$76

in the county in which he maintains his principal place of business and shall pay a license of:

License Amount	Fee	Total
\$10.50	\$1	\$11.50

in each county wherein he engages in the business of furnishing diaper service or laundered diapers other than the county of his principal place of business.

 **Interpretations**

- If a laundry license is purchased under Section 118, the laundry is exempt from purchasing Section 117(a), even if a linen supply service is being provided.
- A state and county license is required in each county that a linen supplier does business. The license is measured by the population of the largest city in each of these counties.

§40-12-118
Laundries

Each person, firm or corporation who operates what is commonly known as a power or steam laundry shall pay the following license tax:

City Population	License Amount	Fee	Total
35,000 and over	\$90	\$1	\$91
15,000 and less than 35,000	\$45	\$1	\$46
5,000 and less than 15,000	\$22.50	\$1	\$23.50
In all other places whether incorporated or not	\$15	\$1	\$16

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

Self-service laundries or concerns commonly known as launderettes shall pay a license tax of 25 percent of the power or steam laundry license.

City Population	License Amount	Fee	Total
35,000 and over	\$22.50	\$1	\$23.50
15,000 and less than 35,000	\$11.25	\$1	\$12.25
5,000 and less than 15,000	\$5.63	\$1	\$6.63
In all other places whether incorporated or not	\$3.75	\$1	\$4.75

Each laundry operated by hand power shall pay a license tax of:

License Amount	Fee	Total
\$15	\$1	\$16

provided, that no license shall be required of a person commonly known as a "washwoman." Hotels which operate laundries exclusively for their own guests shall pay a license tax of 25 percent of the foregoing enumerated amounts for power or steam laundries.

A person not having a place of business within the State of Alabama where such work is actually performed shall pay a license tax of:

License Amount	Fee	Total
\$37.50	\$1	\$38.50

for the reception or collection of laundry.

Interpretations

- An establishment that is in the business of washing clothes is classified as a laundry.
- A self-service laundry or a launderette equipped with coin operated washers and dryers is subject to this license, not a vending machine (176a) license, since no goods are dispensed.
- Machines located in a launderette that dispense detergent and other laundry supplies would be required to have a vending machine license under Section 176(a).
- An establishment utilizing large machines which are capable of washing more than one individual family wash at a time must be classified as a power or steam laundry.
- Laundry pick-up stations are exempt from this license, unless the actual laundry business is outside the state.
- Apartment complexes, mobile home parks, campgrounds and similar establishments that provide laundry facilities for their residents should also purchase this license.
- An establishment that is engaged in both the cleaning and pressing business and the laundry business must purchase a license for both businesses.

§40-12-121 **Lumber and Timber Dealers**

Each wholesale dealer or jobber of lumber and timber and each wholesale dealer in lumber and timber on commission whether maintaining an established place of business or not shall pay a license tax of:

License Amount	Fee	Total
\$150	\$1	\$151

A sawmill operator, regularly licensed under Section 40-12-154, shall not become liable for the license tax imposed by this section by reason of his purchasing partially manufactured lumber from other sawmills, if the processing of said partially manufactured lumber is completed at the plant of the sawmill operator so purchasing the same and the lumber is thereafter shipped or sold in the same manner as lumber manufactured at the plant of such operator; provided, that such purchases do not exceed in volume the lumber manufactured by such operator at his own plant or plants.

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

Interpretations

- This license is to be purchased by those who buy and resell lumber and/or timber at wholesale, in substantially the same condition as when purchased. The stage of processing the lumber does not matter (trees, logs, cants, boards, etc.).
- A "wholesale dealer" of lumber or timber is one who sells at wholesale. The term does not include one who is engaged exclusively in purchasing lumber or timber in this state, and transporting it to another state.
- This license is not required if a person never has title or possession of the lumber or timber. If negotiating sales for a commission, without having title or possession, a license as a merchandise broker may be required (Section 81).
- A place of business in Alabama is not necessary for this license to be required. If more than one place of business is maintained, a license must be purchased for each.

§40-12-122 Lumberyards

Each person operating a lumberyard shall pay the following license tax:

City Population	License Amount	Fee	Total
100,000 or over	\$112.50	\$1	\$113.50
35,000 and less than 100,000	\$60	\$1	\$61
7,000 and less than 35,000	\$37.50	\$1	\$38.50
1,000 and less than 7,000	\$15	\$1	\$16
In all other places whether incorporated or not	\$7.50	\$1	\$8.50

This section shall not apply to regularly licensed sawmill selling lumber at retail at its plant.

Interpretations

- This license does not cover wholesale shipments from the yard. See Section 121.
- Retail sales by a sawmill are covered by the sawmill license (Section 154), and this section is not required.
- A person who buys lumber from sawmills and resells to the retail trade is operating a lumberyard.
- Persons selling from a building (a covered or enclosed area, not a yard) are also subject to this license. The law does not state that such lumberyard must be an open yard.
- Persons selling special forms of lumber (i.e., flooring, moldings, or paneling) are subject to this license.
- Plywood does not come under the definition of lumber and therefore the selling of plywood would not require a license under this section.

§40-12-123 Machinery Repair Shops

Each person operating a shop for the repair or rebuilding of machinery or making parts therefor for the public and charging for same shall pay the following license tax:

City Population	License Amount	Fee	Total
100,000 or more	\$60	\$1	\$61
50,000 and less than 100,000	\$37.50	\$1	\$38.50
15,000 and less than 50,000	\$22.50	\$1	\$23.50
In all other places whether incorporated or not	\$7.50	\$1	\$8.50

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

This license shall not apply to what is commonly known as a blacksmith shop or to shops repairing automobiles where a garage license or an automobile repair license has been taken out.

 **Interpretations**

- This section covers making repairs, including fabricating or welding parts.
- This section covers repairs to large equipment, boats, small motors, vacuum cleaners, sewing machines and lawn mowers.
- If a repairman works from a truck, exclusively, doing the type of repairs covered by this section, the license should be bought in his home county.
- Radio and television repairs would not be included in this section, as these items are not considered machinery. They do not perform a physical function.
- In cases where machinery is rebuilt for sale, as well repaired, a manufacturer's license is also required (Section 87).

§40-12-124
Manicurists, Hairdressers, etc.

Each person engaging in the business of manicuring, hairdressing, or administering facial treatments shall pay a license tax of:

License Amount	Fee	Total
\$7.50	\$1	\$8.50

provided, that this section shall not apply to such persons employed in beauty shops and beauty shop colleges, paying the license tax as provided under Section 40-12-61.

 **Interpretations**

- Those employed in beauty parlors licensed under Section 61 do not need this section.
- This section only applies to self-employed persons operating within a shop licensed under Section 61.
- Please contact the Alabama Board of Cosmetology and Barbering for additional licensing requirements.

§40-12-125
Mattresses, Cushions, Pillows, etc.

Each person engaging in the business of manufacturing or upholstering cushions, mattresses, pillows, or rugs, or the renovating, cleaning or reworking of same, shall pay for the privilege of engaging in such business:

City Population	License Amount	Fee	Total
Over 3,000	\$22.50	\$1	\$23.50
3,000 or less	\$7.50	\$1	\$8.50

 **Interpretations**

- Persons in rural (unincorporated) sections should purchase minimum license.
- Persons in the business of renovating furniture who in the course of the business renovates, cleans, or repairs cushions or mattresses are liable for the license.

§40-12-126
Medicine, Chemistry, Bacteriology, etc.

Each person engaged in the practice of medicine, chemistry, bacteriology, roentgenology, or other similar profession, except chemists, bacteriologists and roentgenologists employed full time by physicians, nonprofit scientific institutions, and hospitals, and except doctors employed exclusively by a medical college, shall pay the following annual license tax:

City Population	State Amount	Fee	Total
Over 5,000	\$25	\$1	\$26
1,000 to 5,000	\$10	\$1	\$11
All other places whether incorporated or not	\$5	\$1	\$6

but no license shall be paid to the county.

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

If such business is conducted as a firm or as a corporation in which more than one person is engaged, each person so engaged shall pay the license as above stated. The license tax imposed by this section shall not apply until such person shall have practiced his or her profession as long as two years. Two fifths of the annual license tax herein levied shall remain in the treasury and shall constitute a separate fund to be disbursed by the treasurer as follows: All of such fund arising from licenses paid in each of the separate counties of the state shall be set aside in a separate fund for such county and shall be disbursed by the treasurer, on the order of the board of censors of the medical society of such county, if there is such organization in such county.

 **Interpretations**

- Chemists and Physicians following their professions whether or not working exclusively for any company (other than the State of Alabama or the University of Alabama Medical Center) are liable for the license.
- Interns and residents are exempt from license.
- Pharmacists in retail sales (who dispense, but do not mix/create medications) are excluded from licenses.
- Chemists and Physicists employed by the State of Alabama, or the University of Alabama Medical Center, who do not practice their profession outside their regular duties are not liable for the license.

§40-12-127
Mimeographs, Duplicating Machines, Dictaphones, etc.

Every person engaged in the business of selling or soliciting orders for the sale or purchase of mimeographs, duplicating machines, dictaphones, teletypes, or other similar machines, and except any person regularly employed by a said agent of or dealer in which said agent of or dealer in has paid the privilege tax or license tax herein provided for, the following annual privilege tax shall be levied and collected:

County Population	License Amount	Fee	Total
Over 100,000	\$45	\$1	\$46
60,000 to 100,000	\$30	\$1	\$31
40,000 to 60,000	\$22.50	\$1	\$23.50
40,000 and less	\$15	\$1	\$16

Such license shall not authorize such agent or dealer to do business in any other county than that in which the license is issued, but if such agent or dealer shall do business in any other county than that in which he has secured the license above provided, he shall pay an additional license in each county where he solicits business of one fourth of the above enumerated amounts.

County Population	License Amount	Fee	Total
Over 100,000	\$11.25	\$1	\$12.25
60,000 to 100,000	\$7.50	\$1	\$8.50
40,000 to 60,000	\$5.63	\$1	\$6.63
40,000 or less	\$3.75	\$1	\$4.75

 **Interpretations**

- This section includes photocopiers, tape recorders, video recorders and fax machines.
- Selling or soliciting orders for the sale of the machines requires the licenses.
- A license is required for every county in which sales are made.
- Purchase of license under Section 44 does not exempt the purchase of license under Section 127.

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

§40-12-128
Mining of Iron Ore; Levy and Amount of Tax Limitation of Actions

Every person engaged in the business of mining iron ore or operating an iron ore mine in the State of Alabama shall pay to the State of Alabama a license or privilege tax by the twentieth of each month for the privilege of operating said iron ore mine during the current month in which such payment is due an amount equal to \$.03 per ton, of 2,240 pounds, on all iron ore mined during the last preceding month in which said mine was operated according to the run of the mine, whether such mine is an open mine or an underground mine, but no such tax shall be paid to any county in this state. Railroad weights shall govern where said iron ore is loaded on railroad cars in determining the amount of iron ore mined. In order that the industrial development of the state may be best preserved and promoted and in order that any deleterious effect of the tax levied in this section may be minimized, the Department of Revenue is authorized and empowered to lower, with the approval of the Governor, as in its knowledge of prevailing conditions may, from time to time prove expedient and advisable for the best welfare of the state, but not to raise, the rate on which the tax is computed. Any action by the state for the recovery of the tax levied under this section shall be commenced, or the assessment therefor made, within 12 months from the shipment by any means of such iron ore from the mine. Unless commenced within such period, the same shall be forever barred.

 **Interpretations**

Per Administrative Rule 810-8-5-.19, effective October 1, 2014, the \$0.03 per ton iron ore severance tax levied in Section 40-12-128 was suspended.

§40-12-129
Mining of Iron Ore; Report of Operators

Every person, partnership, joint stock company, or association engaged in the business of mining iron ore or coal in this state shall, by the twentieth day of each month, make a report, duly sworn to before some officer authorized to administer oaths, to the Department of Revenue of the number of tons of iron ore or coal mined during the preceding month according to the run of the mine and where mined by such person in this state. Every person engaged in operating or assisting to operate in any capacity whatsoever any coal or iron ore mine in this state, upon the output of which a report has not been made as provided herein upon which the license or privilege tax has not been paid and is past due, shall be guilty of a misdemeanor and, upon conviction therefor, shall be fined not less than \$10 nor more than \$500, and may also be sentenced to hard labor for the county for not more than six months.

§40-12-130
Mining of Iron Ore; Report of Persons Receiving Products

Every person or corporation receiving coal or iron ore from any mine in this state for transportation or use shall render to the Department of Revenue by the twentieth day of each month a statement in writing, duly sworn to by some person having knowledge of the facts before some officer authorized by law to administer oaths, of the number of tons so received during the preceding month. Every person receiving coal or iron ore from any mine in this state and transporting the same in motor trucks shall, in addition to the above requirements, show to whom and where each ton of coal or iron ore was delivered. Every person or corporation receiving coal or iron ore from any mine in this state for transportation or use, who shall fail by the twentieth day of the succeeding month to render the statement required herein, shall be guilty of a misdemeanor and, upon conviction therefor, shall be fined not less than \$10 nor more than \$500.

§40-12-131
Monuments and Tombstones

Each person who sells or erects monuments or tombstones in the state shall pay an annual license tax of:

License Amount	Fee	Total
\$7.50	\$1	\$8.50

for each county in which he sells or erects such monument or tombstone; provided, that this shall not apply to benevolent and fraternal societies that place monuments at the graves of their members.

 **Interpretations**

- Purchase of Section 84 is not necessary when Section 131 is purchased and the license holder is simply selling or erecting the monuments or tombstones.
- Section 131 is required for each county in which monuments or tombstones are sold or erected.
- Funeral homes that sell or erect monuments or tombstones are not exempt from purchase of this license.

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

§40-12-133
Moving Picture Shows; Permanent Operators

Every person engaging or continuing in the business of operating a moving picture show, or show of like character to which admission is charged shall pay the following license tax:

City Population	License Amount	Fee	Total
35,000 inhabitants and over	\$300	\$1	\$301
less than 35,000 and not less than 7,000	\$75	\$1	\$76
All other places	\$22.50	\$1	\$23.50

provided that, in cities of thirty-five thousand inhabitants or over in which the theater is one mile or more from the city hall, the license shall be:

License Amount	Fee	Total
\$90	\$1	\$91

per annum. Moving picture shows under this section shall be held to mean a show, the principal featuring of which is moving pictures and for which is required an annual privilege license in Alabama and shall be conducted within a building arranged or constructed for such purpose, and no additional license shall be required if other features of entertainment, including vaudeville acts, are given during any period for which an admission is charged. Any motion picture theater charging children under 12 years of age more than one half of the admission charged adults shall pay double the amount herein levied under this section; provided that this shall not apply where admission charged such children does not exceed ten cents.

 **Interpretations**

A license is required for each separate screen and viewing area in operation in a building.

§40-12-134
Newsstands

Each person operating a newsstand for the sale of magazines or periodicals shall pay an annual license tax of:

License Amount	Fee	Total
\$7.50	\$1	\$8.50

 **Interpretations**

The sale of magazines and periodicals from a rack or a section within the store is required to purchase a Section 134.

§40-12-135
Oculists, Optometrists and Opticians

Each oculist, optometrist, or optician practicing his profession shall pay the following license tax:

City Population	State Amount	Fee	Total
Over 5,000	\$25	\$1	\$26
Over 1,000 to 5,000	\$10	\$1	\$11
All other places whether incorporated or not	\$5	\$1	\$6

but no license shall be paid to the county. If such business is conducted as a firm or as a corporation in which more than one person is engaged, each oculist, optometrist, or optician so engaged shall pay the license as above stated; provided, that the license imposed by this section shall not apply until such oculist, optometrist, or optician shall have practiced his profession as long as two

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

years. A licensee having procured a license in the city or town where he has his principal office may practice his profession in any other place without the payment of an additional license.

 **Interpretations**

- Purchase of Section 135 exempts purchase of Section 161.
- Additional locations of the same occultist, optometrist, or optician do not require additional licenses.
- Person processing/ grinding the glasses themselves are exempt from this license.

§40-12-136
Osteopaths and Chiropractors

Each osteopath or chiropractor practicing his profession shall pay an annual license tax of:

State Amount	Fee	Total
\$20	\$1	\$21

but no license shall be paid to the county. If such business is conducted as a firm or corporation in which more than one person is engaged, each osteopath or chiropractor so engaged shall pay a license tax of \$20. No osteopath or chiropractor shall be required to pay a license until after he has practiced his profession for two years.

Of the license fee prescribed herein for chiropractors, but not for osteopaths, one fourth of the amount collected shall be paid into the state general fund and three fourths of the amount collected shall be paid into the state treasury to the credit of the State Board of Chiropractic Examiners. That portion paid into the credit of the State Board of Chiropractic Examiners shall be used by the board for the purposes stipulated in Section 34-24-143.

 **Interpretations**

Purchase of Section 136 does not exempt the purchaser from the requirements set forth by the State Board of Chiropractic Examiners.

§40-12-137
Packinghouses, Cold Storage Plants, etc.

Each cold storage plant, packinghouse, or refrigerated warehouse used for storage for hire of any food product shall pay a license fee according to the following schedule based on cubic feet of refrigerated space:

Refrigerated capacity	License Amount	Fee	Total
200,000 cubic feet and over	\$150	\$1	\$151
100,000 and not over 200,000	\$75	\$1	\$76
50,000 and not over 100,000	\$37.50	\$1	\$38.50
25,000 and not over 50,000	\$30	\$1	\$31
Less than 25,000 cubic feet	\$22.50	\$1	\$23.50

Operators of refrigerating pipeline for the purpose of refrigerating rooms, premises, goods, wares, or merchandise of others for profit shall pay a license tax of:

License Amount	Fee	Total
\$112.50	\$1	\$113.50

 **Interpretations**

Wholesale grocers and produce companies who maintain small cold rooms for storage are liable for license. Refrigerating trucks require a license in each county in which they operate. License is not levied on each individual truck.

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

**\$40-12-138
Pawnbrokers**

Each pawnbroker shall pay a license tax of:

License Amount	Fee	Total
\$375	\$1	\$376

for each place of business; but, if such pawnbroker sells pistols or sawed-off shotguns, or revolvers, however acquired, he shall pay the additional license tax required for dealers in pistols or sawed-off guns or revolvers by this title.

 **Interpretations**

- For merchandise received on pawn, purchase of Section 138 exempts the pawnshop from purchasing specific section licenses relating to those items, except for Section 143 (pistols) and Section 158 (sawed-off shot guns). These must be purchased whether or not the goods were received on pawn.
- If merchandise was not received on pawn, but was purchased by the pawnbroker for resale, purchase of Section 138 will not exempt the pawnshop from purchasing any section licenses relating to these specific items.
- The Banking Department (242-3452) regulates pawnshops.

**\$40-12-139
Peddlers and Itinerant Vendors**

- (a) Every itinerant vendor or peddler who shall sell or offer for sale any drugs, ointments or medical preparations intended for treatments of any disease or injury, who shall by speech, writing or printing or any other method profess to treat or cure diseases, injury or deformity by any drug, nostrum or medical preparation shall pay an annual license tax of:

License Amount	Fee	Total
\$375	\$1	\$376

in each county where he does business, but the license taken out under this section will not be so construed as to authorize the licensee to practice medicine or treat persons for diseases; provided, that the foregoing shall not be construed to apply to the sale of patent or proprietary medicines or household remedies in original or unbroken packages upon which are written or printed directions for use.

- (b) Each itinerant vendor or peddler of spices, flavoring, extracts, toilet articles, soaps, insecticides, stock and poultry supplies, proprietary medicines and household remedies in original packages and other packaged articles of like kind commonly used on the farm and in the home, who uses a motor vehicle solely for the purpose of transporting merchandise from house to house or place to place, who do not use such vehicle for the display of merchandise or as a rolling store and who does not permit purchases or prospective purchasers to enter said vehicle for the purpose of inspecting or purchasing merchandise shall pay an annual license tax of:

License Amount	Fee	Total
\$15	\$1	\$16

to each county in which they do business; provided, that those who use a vehicle as herein provided, other than a motor vehicle, shall pay an annual license of:

License Amount	Fee	Total
\$30	\$1	\$31

to each county in which they do business, and those who operate without a vehicle of any kind shall pay an annual license tax of:

License Amount	Fee	Total
\$20	\$1	\$21

to each county in which they do business.

- (c) Upon the payment of the license fees provided in subsection (b) of this section, the licensee shall be required to pay no other state or county license for the privilege of carrying on the business described in said subsection.

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

☒ Interpretations

- Section 139(a) covers peddlers of homemade medical preparations and remedies. Licensees under Section 139(a) will also need to be licensed under Section 174, either a, b, or c and possibly d.
- Section 139(b) covers prepackaged medicines and household/farm supplies in the original packaging. Purchasing Section 139(b) exempts the purchase of any other license sections, to peddle these goods, only.

**§40-12-140
Photographers and Photograph Galleries**

Every photograph gallery or person engaged in photography, when the business is conducted at a fixed location shall pay the following license tax:

City Population	License Amount	Fee	Total
75,000 and over	\$37.50	\$1	\$38.50
40,000 and less than 75,000	\$22.50	\$1	\$23.50
7,000 and less than 40,000	\$15	\$1	\$16
Less than 7,000 and all other places whether incorporated or not	\$7.50	\$1	\$8.50

The payment of such license tax shall authorize the doing of business only in and throughout the county where paid. If the licensee does business in any other county or counties, he shall pay an annual license tax of:

License Amount	Fee	Total
\$7.50	\$1	\$8.50

for each photographer in each additional county in which he does business.

Each transient or each traveling photographer having no fixed place of business in the state shall pay a license tax of:

License Amount	Fee	Total
\$15	\$1	\$16

per annum in each county where he does business.

☒ Interpretations

- A license should be purchased for each county where the applicant conducts business from a fixed location, based on city population.
- Each photographer, operating in a county in which he has no place of business, but who has a place of business in another county within Alabama, must have an additional license of \$7.50 in each such non-resident county.
- Each transient photographer, operating in a particular county, and having no place of business within the State of Alabama, must purchase a license of \$15 in each county where he does business.
- Newspapers which provide copies of photos upon request are not subject to this license.
- Videotaping (weddings, parties, etc.) is considered photography and it requires this license.

**§40-12-141
Pianos, Organs and other Musical Instruments**

Each person engaged in the business of selling, renting or delivering pianos, organs, small musical instruments or all such articles in this state, either in person or by agent, consignee or broker, shall pay a license tax of:

License Amount	Fee	Total
\$75	\$1	\$76

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

for each county in which he has an established place of business, and such license shall permit him to solicit business anywhere in the state; provided, that where such dealer does not have an established place of business in the state but merely sells or solicits the sale of such articles, he shall pay as a state license tax of:

License Amount	Fee	Total
\$37.50	\$1	\$38.50

in each county. The provisions of this section shall not apply to general merchants selling as a part of their stock in trade small musical instruments, the selling price of which does not exceed \$10; provided, that the license tax on general merchants selling small musical instruments, the selling price of which exceeds \$10, but who do not sell pianos or organs, shall be as follows:

County Population	License Amount	Fee	Total
Over 100,000	\$30	\$1	\$31
50,000 to 100,000	\$22.50	\$1	\$23.50
35,000 to 50,000	\$15	\$1	\$16
35,000 or less	\$7.50	\$1	\$8.50

This shall not be construed to entitle a licensee to maintain branch establishments, or stores without payment of regular license tax of each branch or store, both state and county, required under this section.

 **Interpretations**

Persons, firms, or corporations dealing in organs whether they are portable or pipe organs would be subject to this license.

§40-12-143
Pistols, Revolvers, Bowie and Dirk Knives, etc.

Persons, dealing in pistols, revolvers, maxim silencers, bowie knives, dirk knives, brass knucks or knucks of like kind, whether principal stock in trade or not shall pay the following license tax:

City Population	License Amount	Fee	Total
35,000 and over	\$225	\$1	\$226
All other places	\$150	\$1	\$151

The required license amounts shall be paid for each place of business from which sales of such items are made. In addition to any other required licenses, a person may organize and conduct a gun and knife show of no more than seven days, by paying the maximum license tax prescribed in this section, as well as the maximum license taxes provided in Sections 40-12-158 and 40-12-174(d), for each such show. Participants shall not be required to pay the license taxes provided in this section, nor in Section 40-12-158 or 40-12-174 for participating in such shows, provided the organizer has paid the license taxes prescribed in this section prior to the commencement of the event. It shall be the duty of the organizer of such show to determine if each participant is licensed under the sales tax laws of this state as well as the particular county and municipality in which the show is conducted. The organizer shall be responsible for providing a list of participants to the county and municipality in which the gun show is held and for collecting and remitting all state and local sales taxes for any participant not licensed under state or local sales tax laws. In the event the organizer does not pay the license taxes prescribed in this section, prior to the commencement of the event, each participant shall be responsible for his or her applicable licenses.

The organizer and all participants shall abide by applicable federal, state, and local laws and regulations.

 **Interpretations**

- Dealers who participate in gun shows must purchase a license in each county where the shows are held.
- Section 174 is also required for each county, when a dealer participates in more than one show during a year.
- Individuals (Non-Dealers) making one-time sales/purchases at gun shows are not required to be licensed.
- Antique/Replica guns/kits do not require the license.
- Pistols not firing using explosives (air guns) and blank pistols do not require the license.
- Hunting knives do not require the license, fighting/assault (bowie/dirk) knives do.
- Dealers require a license from Federal Alcohol, Tobacco, and Firearms Agency (ATF). Not a prerequisite for Sec. 143, but required to operate.

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

§40-12-144
Playing Cards

In addition to all other taxes of every kind now imposed by law and which are not specifically repealed by this section, every person, firm, corporation, club or association within the State of Alabama which sells or stores or uses or otherwise consumes packages of playing cards containing not more than 54 cards to the deck or package shall pay to the State of Alabama for state purposes only a license or privilege tax of \$.10 per package or deck, such tax to be evidenced by revenue stamps, and the stamps in all cases to be affixed to the individual package. The stamps shall be affixed in such manner that their removal will require continued application of water or steam. All taxable playing cards found in the possession of any person, firm, corporation, club or association without having stamps affixed in the manner set out in this section shall be subject to confiscation in the manner provided for contraband goods as set out in Chapter 25 of this title. The administration, collection and enforcement of this law shall be subject to the provisions of Chapter 25 of this title. In addition to the above tax, each retail dealer shall pay for the privilege of selling playing cards an annual license tax of:

License Amount	Fee	Total
\$3	\$1	\$4

 **Interpretations**

- Playing cards are defined as those having four suits and used to play such games as poker, rummy, bridge, etc.
- Chain store must purchase license for each store selling playing cards. Also, if the playing cards are sold through vending machines, the operator or owner is required to purchase the license for each machine from which the playing cards are sold.
- Per Administrative Rule 810-7-1-.30, effective May 1, 2015, revenue stamps are no longer required to be affixed to individual packages of playing cards. The \$.10 tax per package or deck levied in Section 40-12-144 was suspended.

§40-12-145
Plumbers, Steam Fitters, Tin Shop Operators, etc.

Each person doing business as a plumber, steam fitter, or operator of a tin shop or roofing shop shall pay the following license tax:

City Population	License Amount	Fee	Total
50,000 or over	\$37.50	\$1	\$38.50
10,000 and less than 50,000	\$22.50	\$1	\$23.50
Less than 10,000	\$15	\$1	\$16
In all other places whether incorporated or not	\$7.50	\$1	\$8.50

 **Interpretations**

- Plumber or steam fitter must purchase both Section 145 and Section 84 when they replace an existing fixture, affix any new fixture or equipment to the building or structure, or make any change in the building or structure.
- Plumber or steam fitter who merely performs service work such as repairing existing fixtures needs only a Section 145.
- A license is required for each county in which operations take place.
- Counties are not required to see Plumbers Board Certification before issuing a Section 145.
- **Steam Fitter** – One who installs and repairs steam lines for steam heating systems.
- **Tin Shop** – A place where tin products are formed, fabricated or assembled before delivery and installation.
- **Roofing Shop** – A place where roofing products are formed, fabricated or assembled before delivery and installation.
- A roofing contractor needs Section 84 for doing work on a building, and Section 145 if he has a shop for forming his products.

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

§40-12-146

Pool Tables

For each pool table upon which the game of pin pool, bottle pool or starboard pool, or other like device is played, there shall be paid a license tax of:

License Amount	Fee	Total
\$150	\$1	\$151

For each table upon which the game of pool or billiards is played with 15 balls or more or less, and not pin pool, there shall be paid a license tax of:

License Amount	Fee	Total
\$37.50	\$1	\$38.50

The provisions of this section shall not apply to pool or billiard tables operated or owned by private individuals and used in their homes or pool or billiard tables operated or owned by private clubs, social clubs, or Y.M.C.A.'s when no charge is made for playing thereon.

 **Interpretations**

- Bond requirement under Section 34-6-32 must be complied with before issuance of license.
- Coin operated pool tables are subject to license.
- The issuance fee should be charged for each table.

§40-12-147

Racetracks, Athletic Fields, etc.

Each owner or lessee of an athletic field, racetrack or place where races of any kind are held, within five miles of, or in cities or towns, where admission fees charged are in excess of fifty cents, shall pay the following license tax:

City Population	License Amount	Fee	Total
50,000 or more	\$150	\$1	\$151
25,000 and less than 50,000	\$75	\$1	\$76
10,000 and less than 25,000	\$37.50	\$1	\$38.50
Less than 10,000	\$15	\$1	\$16

NO HALF-YEAR LICENSE

This section shall not apply to racetracks used exclusively by any county or state fair or athletic fields owned or maintained in good faith by educational institutions located in this state.

§40-12-148

Radios

Every person engaged in the business of selling radios or other receiving or transmitting machines shall pay the following annual privilege tax:

City Population	License Amount	Fee	Total
Over 50,000	\$37.50	\$1	\$38.50
Over 15,000 and not over 50,000	\$22.50	\$1	\$23.50
Over 5,000 and not over 15,000	\$15	\$1	\$16
Over 1,000 and not over 5,000	\$7.50	\$1	\$8.50
In all other places whether incorporated or not	\$4.50	\$1	\$5.50

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

Interpretations

- This section covers machines which receive and transmit radios waves. It covers:

Boat radios	CB radios	Radar detectors
Cellular phones	Pagers	Televisions
MP3 Players w/radios	Remote Control related items	
- Car radios can be licensed under Section 53, or Section 148, but they do not require both.
- Selling and installing satellite dishes requires Section 148 and Section 84 (contractors). If selling only, Section 148 is sufficient.
- The following items are not covered by this license:

Hearing aids	Fax Machines	CD/DVD players
Telephones	VCRs/DVRs	
- This section does not apply to shops who only repair radios. If an electrical repair shop repairs a radio that later is sold by the shop to cover the cost of the repair work, that is not engaging in the business of selling radios, and Section 148 is not required.

\$40-12-149

Real Estate Brokers and Agents; Realty Situated within State

Each person engaged in buying, selling or renting real estate on commission, when such real estate is situated in this state, shall pay to the state the following license tax:

City Population	License Amount	Fee	Total
10,000 and over	\$22.50	\$1	\$23.50
5,000 but less than 10,000	\$15	\$1	\$16
In all other places	\$7.50	\$1	\$8.50

Interpretations

- Real estate is regulated by the Real Estate Commission (334-242-5544).
- Individual real estate sales agents employed by an agency are not required to purchase this license; however, the agency must purchase the license.
- License required in each county where an office is located. An agency maintaining only one office may engage in many counties without needing additional licenses.
- Renting real property for a commission requires this license.
- No license is required for appraisers.
- An individual buying property for himself and re-selling it for a profit needs no license.

\$40-12-150

Real Estate Brokers and Agents; Realty Situated Without the State

Every person who shall sell or who shall offer to sell in this state any lots or land situated in another state, or who offers to sell at auction or advertises any auction sale of town lots, or the sale by auction or otherwise, or lots in any subdivision of lands situated in another state shall pay an annual license tax of:

License Amount	Fee	Total
\$750	\$1	\$751

Before any license shall be issued under this section, the party desiring to obtain such license shall cause to be recorded at his own expense on the deed records in the office of the Probate Judge of the county in which the license is applied for a full description of the lands or lots so offered for sale, together with the location of same and, if the lands have been divided into lots shall, at his own expense, file a map of said subdivision, which shall be recorded upon the plat book of the county in the office of the Judge of Probate, and reference to said plat book shall be made on the deed records and noted in the general direct and reverse index of said county. The applicant shall also file and cause to be recorded at his own expense, in the office of the Probate Judge, evidence of the ownership of the vendor of said lands or lots, the character and extent of such ownership, together with a statement of any and all mortgages or other liens which may exist thereon.

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

Interpretations

- This section is needed only by persons, not licensed through the Alabama Real Estate Commission, who sell out-of-state real estate in this state. Persons licensed by the Real Estate Commission are exempted from Section 150 by Section 34-27-10.
- A licensed out-of-state broker is not required to buy this license when he associates with an Alabama broker who is licensed by the Alabama Real Estate Commission.
- The license is required of all persons who are out of state, advertising in Alabama newspapers, and not going through a licensed Alabama real estate agency.
- One license is good statewide.

\$40-12-151 **Restaurants, Cafes, Cafeterias, etc.**

Each restaurant, cafe, cafeteria, lunch counter or public eating house where meals, food or refreshments are furnished or served and charged for shall pay the following license taxes:

City Population	License Amount	Fee	Total
1 40,000 and over (seating capacity)			
10 people or less	\$15	\$1	\$16
Over 10 people but not over 20	\$22.50	\$1	\$23.50
Over 20 people but not over 35	\$45	\$1	\$46
35 people	\$75	\$1	\$76
2 15,000 and not over 40,000 (seating capacity)			
10 people or less	\$11.25	\$1	\$12.25
Over 10 people but not over 20	\$18.75	\$1	\$19.75
Over 20 people but not over 35 people	\$37.50	\$1	\$38.50
Over 35 people	\$52.50	\$1	\$53.50
3 5,000 and less than 15,000 (seating capacity)			
10 people or less	\$7.50	\$1	\$8.50
Over 10 but not over 20	\$15	\$1	\$16
Over 20 people but not over 35	\$22.50	\$1	\$23.50
Over 35 people	\$37.50	\$1	\$38.50
4 In all other places of 5,000 and under whether incorporated or not (seating capacity)			
10 people or less	\$7.50	\$1	\$8.50
Over 10 people but not over 20	\$11.25	\$1	\$12.25
Over 20 people but not over 35	\$15	\$1	\$16
Over 35 people	\$22.50	\$1	\$23.50

Seating capacity shall be computed as of October 1st; provided, that if a restaurant, cafe, cafeteria, lunch counter or other public eating house should increase its seating capacity after paying the license tax as above provided before January 1, next, it shall be liable for additional tax based on above schedule; should the seating capacity be increased after January 1 and before April 1, it shall be liable for an additional tax based on the acquired number of seats, but shall be taxed only for three fourths of the additional tax; should the seating capacity be increased after April 1, it shall be liable for one half of the additional tax based on the then acquired seating capacity.

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

The foregoing schedule shall not apply to regular druggists or operators of ice cream parlors paying a soda fountain license and who serve sandwiches, but do not serve meals or lunches, nor to employers operating on their own premises nonprofit restaurants or lunchrooms for the service of meals and lunches to their employees.

Hotels operating two restaurants or dining rooms, in connection with the hotel and under the same ownership or management, shall compute their seating capacity on the combined seats of both restaurants or dining rooms and shall be required to secure only one license.

The provisions hereof shall not apply to restaurants, cafes, cafeterias or lunch counters operated in connection with, by or as a part of any school, college or university.

 **Interpretations**

- Certificate from Health Department is required before issuance, in all cases.
- This section covers all establishments serving meals and having a dining area. Establishments serving only limited food items, such as sandwiches and prepackaged side items (i.e., potato chips) can get a 153, even if seating is available.
- Fast food places are considered restaurants due to the fact that they offer a meal consisting of hamburger and prepared side items (i.e., french fries and onion rings), and they have a dining area. Mall food courts and other food places having a common seating area need Section 91 (deli) or 153 (sandwich), because the food is sold for off premise consumption.
- Purchase of license does not exempt the purchase of any sections, other than 91 and 153. If articles of general merchandises are sold, a 315 is needed. Vending machine sales still require a 176a. Soft drinks, tobacco, and other items still require specific licenses.
- Food services which operate college dining halls and bill the students as part of their room and board are not subject to Section 151 even if they also serve guests, faculty members and others who walk in and pay on a cash basis. However, if non-food items are sold, then the Section 315 license would be due.
- Country Clubs serving meals for members only are exempt from Section 151.
- Hotels operating two restaurants or dining rooms under the same ownership or management, in connection with the hotel, shall compute their seating capacity on the combined seats of both restaurants or dining rooms and shall be required to secure only one license.
- Only chairs and tables inside the restaurant comprise the seating capacity. Outside tables, chairs or benches are not counted.

**§40-12-152
Roadhouses, Nightclubs, etc.**

Every place commonly known as a roadhouse, nightclub, public dance hall or place by any other name where the general public is permitted to dance, whether or not a charge is made therefore:

	License Amount	Fee	Total
Within incorporated city or police jurisdiction	\$37.50	\$1	\$38.50
All other places	\$75	\$1	\$76

 **Interpretations**

- The license is needed if the general public is permitted to dance, whether or not a charge is made.
- If there is a cover charge, the business may also need Section 166.

**§40-12-153
Sandwich Shops, Barbecue Stands, etc.**

Each sandwich shop, barbecue stand or pit, hamburger or hot dog stand shall pay an annual license tax of:

License Amount	Fee	Total
\$7.50	\$1	\$8.50

 **Interpretations**

- Certificate from Health Department is a requirement before issuance of license, in all cases.
- Mini marts, etc. which sell packaged sandwiches out of a refrigerator do not need this license, even if the customer is allowed to heat the sandwich in a microwave.

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

- This license is limited to establishments serving sandwiches and prepackaged sides (i.e., potato chips).
- Establishments serving prepared side items (fries, potato salad, tossed salad, etc.) must purchase a deli license (Sec. 91) if all food is sold for off-premises consumption or a restaurant license if seating is provided (Sec. 151).
- Purchase of this license does not exempt the purchase of any other sections. If articles of general merchandises are sold, a 315 is needed.

§40-12-154
Sawmills, Heading Mills or Stave Mills

Each person, firm or corporation engaged in operating a sawmill, heading mill or stave mill shall pay a privilege tax according to capacity as follows:

Capacity	License Amount	Fee	Total
Over 200,000 feet per day	\$750	\$1	\$751
Over 150,000 to 200,000	\$600	\$1	\$601
Over 100,000 to 150,000	\$450	\$1	\$451
Over 50,000 to 100,000	\$300	\$1	\$301
Over 25,000 to 50,000	\$150	\$1	\$151
Over 10,000 to 25,000	\$75	\$1	\$76
Over 5,000 to 10,000	\$37.50	\$1	\$38.50
5,000 feet or less per day	\$15	\$1	\$16

The operator or owner of any sawmill shall pay only one state license.

 **Interpretations**

- A license is to be purchased for each sawmill, even if more than one is located in the same county.
- Purchase of Section 40-12-177 does not exempt purchase of Section 40-12-154.
- Purchase of Section 40-12-154 does exempt purchase of Sections 40-12-177 and 40-12-121.
- The amount of lumber produced by a sawmill during a 24-hour period (between 12:01 am and 11:59 pm) is the daily capacity of the mill. The license fee is to be based on that daily amount, not the capacity during daylight hours only.
- The license capacity is to be computed as the average daily output, without considering down days or short days. An average "full" day is to be used.

§40-12-155
Scientists, Naturopaths and Chiropodists

Each scientist, naturopath, or chiropodist practicing his profession shall pay an annual license tax of:

State Amount	Fee	Total
\$10	\$1	\$11

to the state, but no license tax shall be paid to the county. If such business is conducted as a firm or corporation in which more than one person is engaged, each scientist, naturopath, or chiropodist so engaged shall pay a license tax. Provided further, that no scientist, naturopath, or chiropodist shall be required to pay a license tax until after he has practiced his profession for two years.

 **Interpretations**

- Definition – **Naturopathy** – a system of therapy that relies exclusively on natural remedies, such as sunlight supplemented with diet and massage, to treat the sick. Purchase of the license does not authorize or legalize any practice. The practitioner needs to check for violation of medical laws or regulations.
- Podiatrists and acupuncturists also need this section.

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

§40-12-156
Sewing Machines

Each person selling or delivering sewing machines, either in person or through agents, shall pay annually to the state for each county in which he may sell or deliver sewing machines:

License Amount	Fee	Total
\$37.50	\$1	\$38.50

For each motor vehicle used in delivering or displaying the same, an additional license shall be paid to the state of:

License Amount	Fee	Total
\$15	\$1	\$16

Provided, that a merchant carrying sewing machines as a part of his stock in trade and whose principal business is not selling sewing machines shall not be required to pay this license.

 **Interpretations**

There is no exemption from this license. The second part of this section levies an additional license of \$15 for each motor vehicle used in delivering or displaying sewing machines. This additional license is due only by those persons whose principal business is selling sewing machines. The exemption in the last portion of the second part applies only to the additional license and in no way has any effect on the license required in the first part.

§40-12-157
Shooting Galleries

Each person operating a shooting gallery shall pay an annual license tax of:

License Amount	Fee	Total
\$30	\$1	\$31

but such license may be taken out for one month, in which case the per month license shall be:

License Amount	Fee	Total
\$7.50	\$1	\$8.50

 **Interpretations**

This section covers shooting of firearms. Bow and arrow shooting is not covered.

§40-12-158
Shotguns, Rifles, Ammunition, etc.

(a) Each person dealing in shotguns, rifles of .22 caliber or over, metallic ammunition or shotgun shells, shall pay a license tax of:

City Population	License Amount	Fee	Total
100,000 or over	\$37.50	\$1	\$38.50
7,000 and less than 100,000	\$15	\$1	\$16
All other places whether incorporated or not	\$4.50	\$1	\$5.50

(b) Regularly licensed rolling stores selling any or all of the articles enumerated in this section shall, in addition to the license provided in Section 40-12-174, pay a license tax of:

License Amount	Fee	Total
\$10	\$1	\$11

in each county in which they sell or offer such articles for sale.

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

 Interpretations

- This section is for each person dealing in shotguns, rifles of twenty-two caliber or over, and includes selling of metallic ammunition or shotgun shells.
- Counties are not required to see the license from the Federal Bureau of Alcohol, Tobacco, and Firearms before issuance of license, however, such license is required before firearms can be sold.
- Dealers who participate in a gun show must purchase this license as well as Section 143 in the county where the show is held. If he participates in more than one gun show during a license year, he must purchase the maximum license under Sections 143 and 158, as well as Section 174(b).
- Section 158 is not needed for selling BB's and pellets.
- "The Annual Shrine Circus as well as all other charitable Shrine amusement and fund raising events are exempt from the payment of any and all state, county and municipal taxes, licenses, fees and charges of any nature whatsoever." This would include the Annual Shrine Gun and Knife show.
- This section does not apply to a person who makes an occasional sale, exchange, or purchase of firearms.
- The person who is operating a show and who charges admission to said show must purchase the license required by Section 166 (theaters, vaudevilles and variety shows) for each place of business where said show is held.

**§40-12-159
Skating Rinks**

Each skating rink operator shall pay an annual license of:

License Amount	Fee	Total
\$30	\$1	\$31

for every county in which the same is operated or conducted.

**§40-12-160
Soliciting Brokers**

Any person engaged in the management of business matters occurring between the owners of vessels, railroads, airplanes, motor vehicles, and express companies and the shippers or consignors of the freight and the passengers which they carry shall be deemed a "soliciting broker" for the purpose of this section. Every such person shall pay, for the privilege of transacting such business:

License Amount	Fee	Total
\$75	\$1	\$76

 Interpretations

This section covers travel agents and freight forwarders.

**§40-12-161
Spectacles or Eyeglasses**

Each person selling spectacles or eyeglasses, other than nonprescription sunglasses, shall pay the following license tax:

City Population	License Amount	Fee	Total
50,000 and over	\$37.50	\$1	\$38.50
15,000 to 50,000	\$22.50	\$1	\$23.50
5,000 to 15,000	\$15	\$1	\$16
In all other places, whether incorporated or not	\$7.50	\$1	\$8.50

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

§40-12-162
Stock and Bond Brokers

Each person dealing in stocks and bonds shall pay a license tax of:

License Amount	Fee	Total
\$75	\$1	\$76

The payment of license tax required by this section shall authorize the doing of business in the town, city or county where paid.

 **Interpretations**

- This section covers brokers of securities. It includes mutual funds, but does not include annuities.
- Each "person" means the business entity and not every individual stock salesman
- The fact that a corporation may engage solely in interstate transactions does not relieve the corporation from the provisions of the Alabama statute. The criteria on which license is imposed is that the corporation be engaged in the business of dealing in stocks and bonds in Alabama.
- Having an office located in Alabama is not necessary to be due license.

§40-12-163
Street Fairs and Carnivals

Each person operating or conducting exhibitions termed "street fair" or "carnival" shall pay a license tax as follows: For an exhibition operating or composed of or controlling or embracing:

Number of Exhibits, Devices or Concessions	License Amount	Fee	Total
More than 35 devices	\$225	\$1	\$226
20 and not more than 35	\$150	\$1	\$151
10 and not more than 20	\$112.50	\$1	\$113.50
10 devices or less	\$75	\$1	\$76

This license shall entitle the street fair or carnival to be operated for a period of not exceeding two weeks in any one place at any one time. For the purpose of this section, a "street fair" or "carnival" shall mean a combination of exhibitions, also called sideshows, rides, games of chance, test of skills or strength, concessions and any other devices generally associated with a "street fair" or "carnival," regardless of ownership, when operated as a combination or a group, and regardless of whether or not an admission is charged to the midway or grounds. A licensee under this section shall not be required to purchase licenses under the provisions of Sections 40-12-69, 40-12-95, 40-12-103, 40-12-140, 40-12-153, and 40-12-157.

 **Interpretations**

- A street fair must have a midway consisting of side shows and entertainment, regardless of whether or not an admission is charged to the midway or grounds.
- If the carnival/street fair does not have all or some side shows, each device should be license under ride devices and other special licenses such as fortune teller, soft drink, sandwich shop, shooting gallery, transient photographer, etc.
- The exemptions are from: Sections 69 (soft drinks), 103 (flying jennies, merry-go-rounds), 140 (transient photographers), 153 (sandwich shops), and 157 (shooting galleries).
- If the street fair lasts longer than two weeks, it must be licensed under Section 47.
- An inflatable store that rents inflatable devices for children is not subject to the license (Legal Opinion 2009-027).
- Note: Section 95 (devices for testing skill and strength) repealed by Act 2015-70.

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

§40-12-165
Syrup and Sugar Factories

Each person operating or conducting a factory, plant or refinery where syrup or sugar is made, manufactured or refined shall pay a license tax based on the capital invested in plant, equipment, finished materials and raw materials, as follows:

Capital Investment	License Amount	Fee	Total
Over \$100,000	\$150	\$1	\$151
Over \$75,000 to \$100,000	\$112.50	\$1	\$113.50
Over \$50,000 to \$75,000	\$75	\$1	\$76
Over \$25,000 to \$50,000	\$60	\$1	\$61
Over \$10,000 to \$25,000	\$37.50	\$1	\$38.50
Over \$5,000 to \$10,000	\$22.50	\$1	\$23.50
Over \$2,000 to \$5,000	\$15	\$1	\$16
Over \$1,000 to \$2,000	\$7.50	\$1	\$8.50

§40-12-166
Theaters, Vaudevilles and Variety Shows

Each person engaged in conducting a theater, vaudeville or variety show and each person conducting any other exhibition, show, entertainment or performance to which an admission is charged and not in this chapter otherwise licensed shall pay an annual license tax for each place of business as follows:

City Population	License Amount	Fee	Total
30,000 or more inhabitants	\$52.50	\$1	\$53.50
20,000 and less than 30,000	\$37.50	\$1	\$38.50
7,000 and less than 20,000	\$30	\$1	\$31
3,000 and less than 7,000	\$15	\$1	\$16
3,000 and less and in unincorporated places	\$7.50	\$1	\$8.50

 **Interpretations**

- This covers a place where shows or entertainment are conducted and admission is charged.
- Nightclubs, gun shows, flea markets, etc. are all covered if admission is charged.

§40-12-167
Ticket Scalpers

Any person offering for sale or selling tickets at a price greater than the original price and who is commonly known as a ticket scalper shall pay a license tax of:

License Amount	Fee	Total
\$150	\$1	\$151

 **Interpretations**

- One must be "commonly known" as a ticket scalper to qualify for this license. The person who disposes of excess tickets that he purchased for personal use is not required to buy this license.
- Per Act 2009-568, an individual who is reselling admission tickets through the internet or other electronic means shall not be required to obtain this license.

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

§40-12-168
Tourist Camps

Each person operating a public tourist camp where transient guests are lodged for pay shall be deemed for the purpose of this section engaged in the business of keeping or operating a tourist camp and shall pay the following license or privilege tax; each camp containing:

Number of Beds	License Amount	Fee	Total
5 or less	\$22.50	\$1	\$23.50
More than 5 and up to 15	\$37.50	\$1	\$38.50
More than 15	\$52.50	\$1	\$53.50

and \$1 for each additional bed over 15.

 **Interpretations**

- This section covers establishments with less than five bedrooms, only. If five or more, Section 115 should be used.
- It covers bed and breakfast inns and boarding houses.

§40-12-169
Tractors, Road Machinery and Trailers

Each person, other than a licensee under Section 40-12-51, for engaging in the business of dealing in tractors, road machinery or trailers, shall pay the following license tax:

City Population	License Amount	Fee	Total
50,000 or over	\$90	\$1	\$91
25,000 to 50,000	\$70	\$1	\$71
5,000 to 25,000	\$40	\$1	\$41
In all other places of less than 5,000 whether incorporated or not	\$20	\$1	\$21

 **Interpretations**

- This section includes tractors, mobile homes, vehicle trailers, boat trailers, etc.
- Motorized homes require a Section 51.
- Riding lawnmowers only need this license if big enough to have attachments on the back. Otherwise, Section 315 is sufficient.
- Contact the Motor Vehicle Division for Master Dealer License requirements.

§40-12-171
Transfer of Freight

Each person transferring freight, not including household goods, using more than one vehicle for hire in cities or towns or in the police jurisdiction thereof shall pay a license tax of:

License Amount	Fee	Total
\$15	\$1	\$16

for each vehicle in excess of one. This section shall not apply to vehicles owned by motor carriers coming within the provisions of Sections 37-3-1 through 37-3-34 and 40-19-1 through 40-19-17 nor shall it apply to vehicles owned by any railroad company or express company.

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

§40-12-172
Transient Dealers

Each person doing business as a transient dealer as defined in this section and who does not pay the privilege license under Section 40-12-73 or the license permit under Section 40-25-19 shall pay an annual license tax of:

	License Amount	Fee	Total
For first county	\$35	\$1	\$36
For each additional county	\$5	\$1	\$6

When used in this section, the words "transient dealer" shall be held to include any person or persons who shall be embraced in any of the following classifications: all persons acting for themselves or as an agent, employee, salesman or in any capacity for another, whether as owner, bailee or other custodian of goods, wares, and merchandise and going from person to person, dealer to dealer, house to house or place to place and selling or offering to sell, exchanging or offering to exchange, for resale by a retailer, any goods, wares, and merchandise, or all persons who do not keep a regular place of business open at all times in regular business hours and at the same place, who shall sell or offer for sale goods, wares, and merchandise, or all persons who keep a regular place of business open during regular business hours and at the same place, who shall elsewhere than at such regular place of business sell or offer for sale or at the time of such sale deliver goods, wares, or merchandise, or all persons who go from person to person, house to house, place to place, or dealer to dealer and sell or offer for sale or exchange the goods, wares and merchandise which they carry with them, and who deliver the same at the time of, or immediately after the sale, or without returning to the place of business operations (a permanent place of business) between the taking of the order and the delivery of the goods, wares, and merchandise, or all persons who go from person to person, house to house, place to place, or dealer to dealer soliciting orders by exhibiting samples, or taking orders, and thereafter making delivery of the goods or filling the order without carrying or sending the order to the permanent place of business and thereafter making delivery of the goods pursuant to the terms of the order, or all persons who go from person to person, place to place, house to house or dealer to dealer carrying samples and selling goods from samples and afterwards making delivery without taking or sending an order therefor to a permanent place of business for the filling of the order and delivery of the goods, or the exchange of the goods, or the exchange of merchandise having become damaged or unsalable, or the purchase by merchants of advertising space, or all persons who have in their possession or under their control any tangible property offered or to be offered for sale, or to be delivered, unless the sale or delivery thereof is to be made in pursuance of a bona fide order for the goods to be sold or delivered, said order to be evidenced by an invoice or memorandum.

An order is defined as being an agreement in writing, between the seller to deliver and the buyer to accept the merchandise to be sold, bought and delivered at the prices and in the quantities agreed upon; and said order shall be evidenced by a memorandum or invoice accompanying the goods on the day on which the same are to be delivered, specifically designating and specifying the name and address of the seller and the buyer, the items purchased, sold and to be delivered and the price on each and the aggregate thereof. The agreement to buy or accept for delivery must be entered into before the goods are placed in transit or delivered and must be transmitted from the place at which taken to the regular and fixed place of business before being filled and the goods delivered.

A commonly termed "blanket order" shall not satisfy the conditions of this definition when such "blanket order" is merely an agreement between the buyer and seller, whereby the buyer shall take such quantity of goods as the seller may deliver to his place of business, or to any other place, within a certain period of time. A "blanket order" to satisfy the conditions of this definition must be an agreement in writing and must recite that the buyer agrees to accept from the seller definite quantities of goods at agreed prices or at prevailing market prices at the time of the delivery of the same; and such agreement shall not be subject to change or cancellation before its termination, without damages to either of the parties entering into it, and it shall not be a condition of such agreement that goods, delivered in accordance therewith must be paid for on delivery. This section shall not apply to transient dealers of bakery products in the county where such bakery is located; nor shall this section apply to transient dealers of bottled soft drinks when sold or distributed from a bottling plant which has paid the privilege tax imposed by Section 40-12-65; nor shall it apply to transient dealers in the sale or delivery of gasoline, kerosene, lubricating oil, or other petroleum products when drawn, conveyed, and distributed from a stock maintained at a warehouse, oil depot, distributing station, or established place of business

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

in this state upon which has been paid all the privilege taxes required of such business; provided that transient dealers of bakery products engaging in the business of transient dealer in any other county shall pay an annual license of:

	License Amount	Fee	Total
1st county	\$25	\$1	\$26
Each additional county	\$5	\$1	\$6

This section shall not apply to a person or to any member of his immediate household selling dairy, poultry, or farm products raised, produced, or grown by them nor to such products preserved, bottled, or canned by them. Nor shall this section apply to those selling fish, shrimp, crabs, or other seafoods, candy, and peanuts. No part of this section shall be construed so as to impose any tax or require any duty of traveling salesmen representing jobbers or wholesalers and who do not carry with them goods for sale, but only take orders for goods and deliver said orders to their employer at a store or permanent place of business, to be filled in the manner used by the jobbing and wholesale trade. The payment of the privilege license tax required by this section shall not authorize any transient dealer to sell any goods, wares, or merchandise for which a higher license is required without the payment of the higher license. Any person paying the license tax herein levied shall not sell any goods, wares, or merchandise for use or consumption by going from person to person, dealer to dealer, house to house, or place to place without the payment of a peddler's license as required by Section 40-12-174. The taxes herein levied are not subject to any specific exemption.

 **Interpretations**

- This section covers wholesale dealers selling to a retailer for resale. Retail dealers are covered by Section 174.
- For wholesale vendors if the specific license exceeds the amount deemed paid under this section, then the specific license is due for selling the specific item of merchandise, in each county in which such business is conducted, in addition to the transient dealer's license.
- A dealer must be able to approve orders and/or collect money. Taking orders for later approval does not qualify.
- Fish, shrimp, crabs, other seafood, candy and peanuts are exempt from Section 172.

§40-12-174
Transient Vendors and Peddlers

- (a) Each person traveling on an animal or using a vehicle other than a motor vehicle, doing business as a transient vendor or peddler as defined in this section, displaying, selling, or offering to sell any goods, wares, or merchandise, other than to a merchant for resale, shall pay a privilege license tax of:

License Amount	Fee	Total
\$20	\$1	\$21

in each county in which such transient vendor or peddler does business for each vehicle.

- (b) Each itinerant vendor or peddler of merchandise, other than tobacco products, medicines or household remedies or liquefied petroleum products, but including persons, firms, corporations, partnerships, or cooperatives whose principal business is selling and distributing milk and dairy products, who operates on foot or uses a vehicle solely for the purpose of transporting merchandise from house to house or place to place but who does not use such vehicle for the display of merchandise or as a rolling store and who does not permit purchasers to enter said vehicle for the purpose of purchasing merchandise shall pay an annual license tax of:

	License Amount	Fee	Total
1st county	\$30	\$1	\$31
Each additional county	\$10	\$1	\$11

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

- (c) Each person using a motor vehicle, doing business as a transient vendor or peddler as defined in this section displaying, selling, or offering to sell any goods, wares, or merchandise of whatever nature at retail shall pay to the state in order to engage in such business the following license taxes:

	License Amount	Fee	Total
1st vehicle	\$150	\$1	\$151
2nd vehicle	\$195	\$1	\$196
3rd vehicle	\$195	\$1	\$196
4th vehicle	\$225	\$1	\$226
5th vehicle	\$225	\$1	\$226
6th vehicle	\$225	\$1	\$226
7 or more vehicles each	\$300	\$1	\$301
For each additional county	\$100	\$1	\$101

Rolling stores which are controlled or held with others by stock ownership of 25 percent or ultimately controlled or directed by one management or association of ultimate management shall be deemed for the purpose of this section as being owned by the same person.

- (d) Each person going from person to person, place to place, town to town, selling, or giving away medicine, salves, ointments, lotions, or other goods, wares, or merchandise by exhibitions, shows, performances, or other entertainment, whether sold for himself or another, in each county where such sales or gifts are made shall pay a license of:

License Amount	Fee	Total
\$150	\$1	\$151

- (e) When used in this section, the words "transient vendor or peddler" shall be held to include any person embraced in any of the following classifications:

- (1) All persons commonly and generally termed "peddlers" and falling within the usual and commonly understood definition of "peddler"; or
- (2) All persons acting for themselves or as an agent, employee, or salesman, or in any capacity for another whether as owner, bailee, or other custodian of goods, wares, and merchandise, going from person to person, house to house, or place to place and selling or offering to sell, or consigning or offering to consign, other than to a retail merchant for resale, goods, wares, and merchandise; or
- (3) All persons who do not keep a regular place of business open at all times in regular business hours at the same place, going from person to person, house to house, place to place, or town to town, and selling or offering for sale, other than to a retail merchant, goods, wares, and merchandise which they carry with them and who deliver the same at the time of or immediately after the sale; or
- (4) All persons who go from person to person, house to house, place to place, soliciting orders, other than from a retail merchant for resale, by exhibiting samples or taking orders and thereafter making delivery of the goods or filling the order, without carrying or sending the order to the permanent place of business.

- (f) This section shall not apply to a person or to any member of his immediate household selling or offering to sell dairy, poultry or farm products raised, produced or grown by himself, or the immediate members of his household, or such products preserved, bottled or canned by himself, or the immediate members of his household, or to persons peddling wood, charcoal, fruit, or vegetables; or to blind persons or persons physically disabled to the extent of 30 percent, such disability to be certified to by a reputable physician and the local license inspector, operating other than a rolling store, or to peddlers of poultry and eggs, or to persons selling fish, shrimp, crabs or other seafoods. These and none other shall be exempt from the payment of the license tax levied by this section.

- (g) The payment of the privilege license tax required by this section shall not authorize any transient vendor or peddler to sell any goods, wares, or merchandise for which a higher or specific license is required without the payment of such license in addition to the license herein levied or to sell any goods, wares, or merchandise that are by law required to be sold at a fixed location, except upon the payment of the maximum license tax levied under the section or sections of this chapter for the sale of merchandise at a fixed location. This section shall not apply to transient dealers of bottled soft drinks when sold or distributed from a bottling plant which has paid the privilege license tax imposed by Section 40-12-65.

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

Interpretations

- This section covers retail dealers selling directly to end-users. Wholesale peddlers are covered by Section 172.
- It is not necessary that a sale actually be made for this license to be due, only that items are offered for sale.
- This license does not exempt retail vendors from specific section licenses, based on what they are selling. The maximum license would be due for selling specific items of merchandise, in each county in which such business is conducted, in addition to the transient dealer's license.
- A peddler of any goods using an animal or wagon needs Section 174a.
- A peddler traveling on foot or using a motor vehicle only to transport goods needs Section 174b.
- A peddler using a motor vehicle as a rolling store needs Section 174c. A rolling store is a vehicle used to display merchandise, which permits purchasers to enter the vehicle for the purpose of inspecting and purchasing merchandise.
- A peddler using exhibitions, shows, performances, or entertainment to sell his goods needs Section 174d. This applies to old-fashioned "medicine shows".
- Subsections a, b and c are mutually exclusive, but subsection d may be needed along with one of them.
- A peddler of home remedies, licensed under Section 139(a) will still need Section 174 (either a, b or c) and possibly Section 174(d), depending on his method of making sales.
- A peddler of prepackaged medicines and household/farm supplies, who is licensed under Section 139(b), needs no other sections to peddle those goods.
- A flea market needs Section 174(b), as well as any specific section licenses that may apply (radios, bicycles, etc.).

\$40-12-176 Vending Machines

- (a) Every person, firm, corporation, association or copartnership operating a vending machine business whereby tangible personal property is sold through or by the use of coin-operated machines shall pay an annual privilege license tax based on the total sales of each such vending company during the preceding year as follows:

TOTAL SALES	License Amount	Fee	Total
\$10,000,000.01 or more	\$1,000	\$1	\$1,001
\$7,500,000.01 to 10,000,000	\$900	\$1	\$901
\$5,000,000.01 to 7,500,000	\$800	\$1	\$801
\$2,500,000.01 to 5,000,000	\$700	\$1	\$701
\$1,000,000.01 to 2,500,000	\$600	\$1	\$601
\$750,000.01 to 1,000,000	\$500	\$1	\$501
\$450,000.01 to 750,000	\$400	\$1	\$401
\$350,000.01 to 450,000	\$300	\$1	\$301
\$250,000.01 to 350,000	\$200	\$1	\$201
\$200,000.01 to 250,000	\$175	\$1	\$176
\$150,000.01 to 200,000	\$150	\$1	\$151
\$100,000.01 to 150,000	\$125	\$1	\$126
\$80,000.01 to 100,000	\$90	\$1	\$91
\$60,000.01 to 80,000	\$75	\$1	\$76
\$48,000.01 to 60,000	\$60	\$1	\$61
\$36,000.01 to 48,000	\$40	\$1	\$41
\$24,000.01 to 36,000	\$30	\$1	\$31
\$12,000.01 to 24,000	\$20	\$1	\$21
\$12,000 or less	\$10	\$1	\$11

- (b) The revenue produced by the license taxes levied in this section shall be divided equally between the state and the several counties in which it is collected. No separate county license shall be required. The several probate judges and license commissioners shall report and remit monthly to the State Treasurer all moneys collected for the use of the state, and to the counties all moneys collected for the counties. The payment of such occupational license tax as herein provided for in

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

one county in the state shall be sufficient, and the vending machine company shall conspicuously post, on each machine operated by him under such license, his name and address.

- (c) Hotels, motels, tourist camps, or other places of business having less than five coin-operated radios for each location, establishment, or place of business receiving transmitted music by wire or cable:

	License Amount	Fee	Total
Having 1-4 transmitters	\$8	\$1	\$9
For each such transmitter or speaker in excess of four	\$2	none	\$2

each; provided, that where the music transmitted by wire or cable from any central point or studio, whether such point or studio is situated within or without such location, establishment, or place of business, is not coin-operated or where no deposit of a coin or other thing of value into any machine is necessary in order that music may be heard, then each person, firm, or corporation engaged in the business of transmitting music by wire or cable may pay in lieu of the speaker or transmitter tax specified above a privilege tax as follows:

County Population	License Amount	Fee	Total
125,001 and over	\$80	\$1	\$81
60,001 and not exceeding 125,000	\$60	\$1	\$61
60,000 or less	\$30	\$1	\$31

provided, that one license may be issued to include all coin-operated radios and/or transmitters or speakers located within such hotel, motel, tourist camp location, establishment, or other place of business, which license shall be prominently displayed. The licenses herein provided for shall be levied upon the operator of the machine, the coin-operated radio or the central point or studio from which point or studio the music is transmitted; provided, that in the event any unlicensed machine, coinoperated radio, transmitter, or speaker is found in any establishment or place of business, the operator of such establishment or place of business shall be the operator of such machine, coinoperated radio, transmitter, or speaker and shall be liable for the license therefor.

- (d) Nothing in this section shall apply to machines installed by any person, firm, or corporation, nor to coin-operated gas meters, nor to coin-operated telephones, nor to a machine vending postage stamps in its place of business or vending necessary articles on a nonprofit basis for emergency use only by the employees of such person, firm, or corporation.
- (e) No license shall be required under this section where a privilege or dealer's license is required by this chapter for the sale of such article, and such privilege license shall have been obtained by the person, firm, or corporation operating the place of business where such machine is located, or the owner of such vending machine shall have secured such privilege license as required herein.
- (f) Any person operating or permitting the operation of a vending machine dispensing packages or in quantities less than a package of cigarettes, or any article on which there is an excise tax, the payment of which is evidenced by stamps, without first having paid the tax thereon by affixing the required stamps to the original package as required under Section 40-25-2, shall be guilty of a misdemeanor and punished as provided in such section for failure to pay said tax. Each vending machine vending tobacco products of any kind whatsoever shall have securely affixed thereto in full view the name and address of the legal owner of said machine. When tobacco products are found in such vending machines to be improperly stamped or unstamped, in violation of Section 40-25-2, such vending machine and contents shall be confiscated by any duly authorized agent of the Department of Revenue as provided in Section 40-25-2 for the confiscation of improperly stamped or unstamped tobacco products. Each vending machine vending tobacco products of any kind whatsoever shall have a transparent front window, or windows, through which the Alabama revenue stamps required by Section 40-25-2 may be seen without the necessity of opening or unlocking the vending machine.
- (g) For the purpose of any excise or consumption taxes, the payment of which is not evidenced by stamps, levied on any of the articles dispensed through such machine, the person in whose place of business each machine is located shall be considered the consumer of such article and shall be liable for such taxes measured by the regular retail price thereof.
- (h) No license shall be required under this section for home-type merchandise vending machines placed in private homes for home use only and not for public use.
- (i) Nothing herein contained shall be construed as legalizing or licensing any machine or device which is now illegal or which may hereafter be declared illegal.

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

- (j) All the licenses levied by this section shall bear the business address of the owner or operator thereof.
- (k) It is the legislative intent that only the license required under this section shall be required for the operation of a vending machine company under this section within this state for any one-license year.
- (l) The license shall be purchased in the county in which the home office or principal place of business of the company is located or in operation on October 1, or at the time the license is purchased for the licensing year.
- (m) Any person failing to perform any of the duties required of him by the provisions of this section shall be guilty of a misdemeanor and, upon conviction, shall be fined not less than \$10 and not exceeding \$100 for each offense.
- (n) In the event that a new business is formed which has not heretofore been in the vending machine business, it shall pay only the minimum license until such time as a new license is required.
- (o) Each applicant for any license required herein shall by sworn statement supply the gross sales as required herein, and its books and records shall be available to any taxing authority within this state for inspection to ensure compliance with this section.
- (p) On all other vending machines whereby tangible personal property is not sold but services or amusements are vended, with the exception that coin-operated pool tables or self-service laundries are specifically excluded herefrom and licensed under other sections, operators shall pay a license as follows:

	LICENSE AMOUNT	Fee	Total
On all machines where over one cent is used	\$8	\$1	\$9
On all machines whereby one cent is used	\$1	\$1	\$2

ISSUANCE FEE FOR EACH MACHINE

The license is to be paid, collected and distributed as heretofore provided in this section.

Interpretations

- Section 176(a) covers vending machines whereby tangible personal property is sold. Licenses are sold based upon the total vending machine sales for the entire company during the preceding year. One license is to be purchased to license all machines owned and operated by the vending company, statewide. The licensee is not required to specify the number of machines provided under this license; therefore, hundreds of machines could possibly be covered by one license under Section 176(a). The applicant is to provide a sworn statement reflecting the gross sales shown on his books and records to any taxing authority for inspection to insure compliance. Section 176(a) requires a card, etc., showing name of operator, address, license number, and from what county license was purchased to be conspicuously posted on each machine.
- No license is required under Section 176(a) if the sale of a particular article is licensed under another section of this chapter. For instance, if a grocer sells soft drinks from his vending machine and from a cooler in the store, the grocer can buy the soft drink license under Section 69 and would not be liable for Section 176(a).
- The taxpayer has the option of buying either the Section 176(a) or the license for the specific article being vended (i.e., Section 69 or Section 72), as long as the license is secured on time and is not delinquent. Once a license is delinquent, the option is lost and the higher-priced license of the two sections becomes due.
- Section 176(p) covers vending machines whereby tangible personal property is NOT sold, but services or amusements are vended, with the exception of coin-operated pool tables (Section 146) or self-service laundries (Section 118). Included are coin-operated game room machines, blood pressure machines, and jukeboxes. The fee is \$8 for all machines where over \$.01 is used, on all machines whereby \$0.01 is used, fee is \$1. Section 176(p) requires that a decal be obtained and displayed on each machine. Decals are obtained from the Comptroller's Office, 334-242-7070.
- Section 176(c) covers receiving transmitted music by wire or cable. If the same music is played for everybody, no license is needed, but if the customer can control what is played, the license is required. It is based on the number of transmitters. Machines with 1 to 4 transmitters have a license fee of \$8, and for each additional transmitter the fee is \$2. If the music machine is NOT coin-operated, the license fee is based upon the city population with fees ranging from \$30 to \$80. (These types of machines are basically obsolete.)
- Exclusions from this section include vending machines in private homes for personal use (176h), coin-operated gas meters, telephones, postage stamps, or vending machines in a place of business to vend articles on a nonprofit basis for the emergency use of employees (176d). Note that vending postage stamps for profit requires Section 176(a).

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

\$40-12-177
Veneer Mills, Planing Mills, Box Factories, etc.

Each person, firm, or corporation engaged in the operation of a veneer mill, planing mill, box factory, handle factory or any other factory where lumber or timber is sawed or made into a finished or semifinished product, other than a sawmill licensed under Section 40-12-154, shall pay a privilege tax based on the number of men employed or engaged in the manufacture of the products produced by such mills, as follows:

Number of Men Employed	License Amount	Fee	Total
40 and over	\$180	\$1	\$181
20 and less than 40	\$120	\$1	\$121
10 and less than 20	\$45	\$1	\$46
Over 5 and less than 10	\$15	\$1	\$16
5 or less	\$7.50	\$1	\$8.50

It is the intention hereof that where a person, firm, or corporation shall pay a privilege tax under Section 40-12-154 or under Section 40-12-121, then no privilege license tax shall be charged or collected hereunder.

 **Interpretations**

A cabinet shop also needs Section 84, if the cabinets are installed.

\$40-12-178
Veterinary Surgery

Each person practicing veterinary surgery shall pay an annual license tax to the state of:

State Amount	Fee	Total
\$5	\$1	\$6

But no license shall be paid to the county. No veterinary surgeon shall be required to pay a license tax until he has practiced his profession for two years.

\$40-12-179
Warehouses and Yards

Each person operating a warehouse or yard for the storage of goods, wares, or merchandise for hire shall pay an annual license tax to the state of:

License Amount	Fee	Total
\$37.50	\$1	\$38.50

Where such warehouseman also acts as a distributing agent and forwards and distributes the goods stored in such warehouse and charges for such service, he shall pay an additional license tax of:

License Amount	Fee	Total
\$150	\$1	\$151

 **Interpretations**

- This section covers public warehouses; those that store and account for customer's property.
- If a licensee owns and operates completely separate warehouses, a separate license is due for each, even if all receipts and records are kept at one unit.
- A self-service storage facility (mini-warehouse) is not a public warehouse. Section 179 does not apply to them.
- An ordinary moving, storage company is not subject to Section 179.
- Before issuing, the law requires each warehouse to present to the issuing agent of the county a permit issued by the Commissioner of Agriculture. (Title 8, Chapter 15, Article 1, Paragraph 8-15-3) – Department of Agriculture – Division of Gins and Warehouses – 334-240-7183

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

- If the warehouse also forwards and distributes the goods stored in such warehouse, and charges for such service, he shall pay an additional license of \$150 plus issuance fee. Example: A taxpayer warehouses and distributes food items under contract with the federal government. Licenses are due both on the operation of a warehouse for hire, and as a distributing agent. The distributing agent portion of the license is a personal license on the warehouseman and even if the warehouseman operates more than one warehouse, only one license is required for his operating as a distributing agent in the county.

§40-12-180
Waste Grease and Animal By-Products

Act 99-526 redesignated this Section as 11-40-23. It is no longer a part of Article 2 of Chapter 12, and county licensing officials are no longer responsible for issuing licenses under this section.

Note: Per Section 40-12-2(e), the county license levy is 50 percent of the state license levy. The total amount due for state and county is shown as a single amount.

Chapter 12

STORE LICENSES

Article 6

SECTION	TITLE
40-12-310	"Store" defined; construction
40-12-311	Who must procure license
40-12-312	Application for license
40-12-313	Examination of application and issuance of license
40-12-314	Expiration and renewal of licenses
40-12-315	Annual fees
40-12-316	Fees for portion of year
40-12-317	Scope of article
40-12-318	Payment of expenses; net collections paid into treasury
40-12-319	Penalty for violation of article

§40-12-310

"Store" Defined; Construction

The term "store" as used in this article shall be construed to mean and include any store or stores or any mercantile establishment or establishments which are owned, operated, maintained, controlled or for which the buying is done by the same person, firm, corporation, copartnership, or association, either domestic or foreign, in which goods, wares or merchandise of any kind are sold, either at retail or wholesale. The term "store" as used in this article shall not be construed to mean or include any place of business at which the principal business conducted is that of selling or distributing petroleum products or ice, where the amount kept in any store is less than 4,000 pounds at any one time.

Two or more stores or mercantile establishments shall, for the purpose of this article, be treated as being under a single or common ownership, supervision or management if directly or indirectly owned or controlled by a single person or any group of persons having a common interest in such stores or mercantile establishments, or if any part of the gross revenues, net revenues or profits from any such stores or mercantile establishments shall directly or indirectly be required to be immediately or ultimately made available for the beneficial uses or shall directly or indirectly inure to the immediate or ultimate benefit of any single person or any group of persons having a common interest therein; provided, that a person owning or operating a store and owning an interest in not more than one other store which handles merchandise of an entirely different character, or a person operating a candy counter or popcorn stand in the lobby of a motion picture theater owned or operated by him shall not be termed a chain of stores, but shall be required to pay only the annual license on each store; each store being considered a separate unit.

§40-12-311

Who Must Procure License

It shall be unlawful for any person, firm, corporation, association, or copartnership, either foreign or domestic, to operate, maintain, open, or establish any store in this state without first having obtained a license to do so from the probate judge or license commissioner of the county in which the store is located, as hereinafter provided. In instances where stores are located in more than one county, the licensee must procure licenses in the county where his principal or main store is located for all stores wheresoever located.

§40-12-312

Application for License

Any person, firm, corporation, association, or copartnership desiring to operate, maintain, open, or establish one or more stores in this state shall apply to the probate judge or license commissioner for a license to do so. The application for a license shall be made on a form which shall be prescribed and furnished by the Department of Revenue and shall set forth the name of the owner, manager, lessee, receiver, or other person desiring such license, the name of the store, the location, including the street number of each store, and such other facts as the Department of Revenue may require. The applicant desiring to operate, maintain, open, or establish such stores, shall make a separate application for a license to operate, maintain, open, or establish each store, but the respective stores for which the applicant desires to secure licenses may all be listed on one application blank. Each such application

shall be accompanied by an issuance fee of \$.50 for each store, to be retained by the probate judge or license commissioner for the issuance of such license, and by the license fee as prescribed in Section 40- 12-315.

§40-12-313 Examination of Application and Issuance of License

As soon as practical after the receipt of any such application, the probate judge or license commissioner shall carefully examine such application to ascertain whether it is in the proper form and contains the necessary and requisite information. If upon examination the probate judge or license commissioner shall find that any such application is not in the proper form and does not contain the necessary and requisite information, he shall return such application for correction. If an application is found to be satisfactory and if the issuance and license fees, as herein prescribed, shall have been paid, the probate judge or license commissioner shall issue to the applicant a license for each store for which an application for a license shall have been made. Each licensee shall display the license so issued in a conspicuous place in the store for which such license is issued. It shall be the duty of the license inspector to examine such licenses to ascertain if there is an attempted evasion on the part of the applicant; and, if it is brought to the attention of the license inspector, he shall cite any and all delinquents for failure to procure the proper license. The license inspector shall be entitled to the citation fee of \$1 for each citation served, to be taxed against the delinquent, and collected by the probate judge or license commissioner at the time of issuing the license. The probate judge or license commissioner shall remit such fees to the license inspector in a like manner as other fees are remitted. It shall be the duty of the probate judge or license commissioner to furnish the State Department of Revenue a list of all licenses issued, on a form prescribed by the State Department of Revenue, by the tenth of the month following the month of issuance.

§40-12-314 Expiration and Renewal of Licenses

All licenses shall be so issued as to expire on September 30 of each calendar year. On or before October 31 of each year, every person, firm, corporation, association, or copartnership due a license shall apply to the probate judge or license commissioner for a renewal license for the fiscal year next ensuing. All such licenses shall become delinquent on the first day of the month immediately following the due date thereof.

§40-12-315 Annual Fees

Every person, firm, corporation, association, or copartnership opening, establishing, operating, or maintaining one or more stores or mercantile establishments, within this state under the same general management, supervision, or ownership shall pay the license fees hereinafter prescribed for the privilege of opening, establishing, operating, or maintaining such stores or mercantile establishments. The license fee herein prescribed shall be paid annually, shall be in addition to the filing fee prescribed in Sections 40-12-312 and 40-12-314 and shall be in addition to all other license or privilege taxes levied by this section or hereafter levied.

The license fees as herein prescribed shall be as follows:

	State Amount	Fee	Total
a) One store	\$1	\$1	\$2
b) Two to five stores, each additional store	\$15	\$1	\$16
c) Six to ten stores, each additional store	\$22.50	\$1	\$23.50
d) Eleven to twenty stores, each additional store	\$37.50	\$1	\$38.50
e) Over twenty stores, each such additional store	\$112.50	\$1	\$113.50

No license fee or license shall be due or payable for the use of any county.

Interpretations

- "Store" does not include establishments where the principal (51%) business is selling or distributing petroleum products, or ice, where the amount kept in any store is less than four thousand pounds at any one time.
- Chain stores are two or more stores with the same type of merchandise under a single or common ownership. Stores are treated as under common ownership if they are directly or indirectly owned or controlled by a single person, or by any group of persons having a common interest or shares in the profits of such stores.
- If a cafe/restaurant is engaged in selling any article of merchandise, i.e., cigars or other tobacco products, handkerchiefs, aspirin, etc., in addition to prepared foods, the operator would be due to pay the store/chain license as well as the cafe/restaurant license.

- All chain store licenses are to be purchased in one county for all stores, usually in the county where the first store was opened. When selling a store license, inquire how many stores are in Alabama. If more than one, the licensee will need to find out the county where the first store was opened and purchase the licenses for all stores in that county.
- When issuing licenses for a chain, all licenses are to be put on the chain store report, including the first store of \$1, if they are purchased at the same time. If first store is purchased in a month prior to the others, then the first store of \$1 would not be on the chain store report.
- It is very important that you put the actual physical location of the stores on the chain store report. The mailing address should not be shown.
- On a chain of twenty-one stores, the amount due is \$661 , calculated as follows:

1st store	\$ 1
2nd store thru 5th store	\$ 60 (4 x \$15)
6th store thru 10th store	\$112.50 (5 x \$22.50)
11th store thru 20th store	\$375 (10 x \$37.50)
21st store	\$112.50 (1 x \$112.50)
Total due for chain of 21	\$661 plus issuance fee per store

**§40-12-316
Fees for Portion of Year**

Any person beginning a new business on or after April 1 shall be entitled to, and be charged for one half of the full rate in Section 40-12-315 for the then current year.

**§40-12-317
Scope of Article**

The provisions of this article shall be construed to apply to every person, firm, corporation, copartnership, or association, either domestic or foreign, which is controlled or held with others by stock ownership of 25 percent or ultimately controlled or directed by one management or association of ultimate management or the buying for said store or stores is centralized or done by one person or management.

**§40-12-318
Payment of Expenses; Net Collections Paid Into Treasury**

It shall be the duty of the probate judge or license commissioner to issue the licenses herein prescribed on a form to be furnished and prescribed by the State Department of Revenue and to remit such money to the Department of Revenue on or before the tenth of the month following the month of issuance. Such amount of money shall be appropriated for each fiscal year by the Legislature to the Department of Revenue with which to pay the salaries, the cost of operation and the management of the said department shall be deducted, as a first charge thereon, from the taxes collected under and pursuant to Section 40-12-315; provided, that the expenditure of said sum so appropriated shall be budgeted and allotted pursuant to Article 4 of Chapter 4 of Title 41 and limited to the amount appropriated to defray the expenses of operating said department for each fiscal year. All money collected under the provisions of this article, less expenses appropriated herein, shall be paid into the treasury monthly by the Department of Revenue and shall be added to and constitute a part of the Educational Trust Fund. All fees collected by probate judges, license commissioners, and license inspectors, who are compensated on a salary basis, shall be paid by them into the treasury of the county, as other fees are likewise paid.

**§40-12-319
Penalty for Violation of Article**

Any person, firm, corporation, copartnership, or association who shall violate any of the provisions of this article shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not less than \$25, nor more than \$100. Each and every day such violation shall continue shall constitute a separate and distinct offense.

