

1 SB130  
2 204172-1  
3 By Senators Scofield and Livingston  
4 RFD: Fiscal Responsibility and Economic Development  
5 First Read: 06-FEB-20

SYNOPSIS: Under existing law, the state or a county or municipal governing body may enter into a contract or agreement with a private auditing or collecting firm to audit the books and records of a taxpayer and collect any taxes due.

This bill would prohibit a private auditing or collecting firm from recovering certain costs from a taxpayer.

A BILL  
TO BE ENTITLED  
AN ACT

Relating to taxation; to add Section 40-29-20.1, to the Code of Alabama 1975, to prohibit private auditing or collecting firms from recovering certain expenses from taxpayers.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 40-29-20.1, is added to the Code of Alabama 1975, to read as follows:

1                   §40-29-20.1.

2                   (a) Notwithstanding Section 40-29-20, Code of  
3                   Alabama 1975, or any other law to the contrary, a private  
4                   auditing or collecting firm may not recover any of the  
5                   following costs from a taxpayer:

6                   (1) Professional service fees to include, but not be  
7                   limited to, attorney fees and charges for accountant services.

8                   (2) Travel costs.

9                   (3) Salary or personnel-related expenses of the firm

10                  (4) Auditing or collecting related costs.

11                  (b) For purposes of this section, a private auditing  
12                  or collecting firm means any business as defined in Section  
13                  40-2A-3(17).

14                  Section 2. This act shall become effective  
15                  immediately following its passage and approval by the  
16                  Governor, or its otherwise becoming law.