

Transmittal Sheet For Notice Of Intended Action

Control: 810

Department or Agency: Revenue

Rule Nos: 810-2-5

Rule Title: Registration Of Securities

New; Amended; Repealed; Adopt by Reference

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety? No

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare? Yes

Is there another, less restrictive method of regulation available that could adequately protect the public? No

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved and, if so, to what degree? No

Is the increase in cost, if any, more harmful to the public than the harm that result from the absence of the proposed rule? N/A

Are all the facets of the rulemaking process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? Yes

Does the proposed rule relate to or effect any matter of litigation which the agency is a party to concerning the subject matter of the proposed rule? No

Does the proposed rule have any economic impact? No

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975 and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Services Agency.



Signature of certifying officer

Date 05/21/2018

APA-6
10/96

**ECONOMIC IMPACT STATEMENT
FOR APA RULE
(Section 41-22-23(f))**

Control No. 810 Department or Agency REVENUE

Rule No: 810-2-5

Rule Title: Registration Of Securities

 New Amend X Repeal Adopt by Reference

- NO
 YES

This rule has no economic impact.

This rule has an economic impact, as explained below:

1. NEED/EXPECTED BENEFIT OF RULE:
2. COSTS/BENEFITS OF RULE AND WHY RULE IS THE MOST EFFECTIVE, EFFICIENT, AND FEASIBLE MEANS FOR ALLOCATING RESOURCES AND ACHIEVING THE STATED PURPOSE:
3. EFFECT OF THIS RULE ON COMPETITION:
4. EFFECT OF THIS RULE ON COST OF LIVING AND DOING BUSINESS IN THE GEOGRAPHICAL AREA WHERE THE RULE IS TO BE IMPLEMENTED:
5. EFFECT OF THIS RULE ON EMPLOYMENT IN THE GEOGRAPHICAL AREA HERE THE RULE IS TO BE IMPLEMENTED:
6. SOURCE OF REVENUE TO BE USED FOR IMPLEMENTING AND ENFORCING THIS RULE:
7. THE SHORT-TERM/LONG-TERM ECONOMIC IMPACT OF THIS RULE ON AFFECTED PERSONS, INCLUDING ANALYSIS OF PERSONS WHO WILL BEAR THE COSTS AND THOSE WHO WILL BENEFIT FROM THE RULE:
8. UNCERTAINTIES ASSOCIATED WITH THE ESTIMATED BENEFITS AND BURDENS OF THE RULE, INCLUDING QUALITATIVE/QUANTITATIVE BENEFITS AND BURDEN COMPARISON:
9. THE EFFECT OF THIS RULE ON THE ENVIRONMENT AND PUBLIC HEALTH:

10. DETRIMENTAL EFFECT ON THE ENVIRONMENT AND PUBLIC HEALTH
IF THE RULE IS NOT IMPLEMENTED:

11. OTHER COMMENTS:

**ALABAMA DEPARTMENT OF REVENUE
Individual and Corporate Tax**

NOTICE OF INTENDED ACTION

RULE NO. & TITLE

810-2-1	Corporations
810-2-2	Permit Fees
810-2-5	Registration Of Securities
810-2-6	Franchise Tax and Securities Recording Forms and Returns
810-3-200	Income Tax Forms Appendix I

INTENDED ACTION Repeal

SUBSTANCE OF PROPOSED ACTION: The department proposes to repeal the above mentioned chapters because during review of the rules required by the Red Tape Reduction Act they were determined to no longer be needed.

TIME, PLACE, MANNER OF PRESENTING VIEWS: A public hearing will be held at **01:50 PM on Tuesday, July 10, 2018, Room 1203, First Floor**, Gordon Persons Building, located at 50 N Ripley Street, Montgomery, Alabama. Copies of the rule(s) can be obtained at <http://www.revenue.alabama.gov/tax-policy/>.

All interested parties may present their views in writing to the **Secretary of the Alabama Department of Revenue, Room 4131, Gordon Persons Building, 50 N Ripley Street, Montgomery, Alabama 36132** at any time following publication of the notice up until the conclusion of the hearing. Interested parties may also appear at the hearing to present their views.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:
Tuesday, July 10, 2018

CONTACT PERSON AT AGENCY:

Meagan Barrett
Alabama Department of Revenue
4131 Gordon Persons Building
Montgomery, Alabama 36132
(334) 242-1380

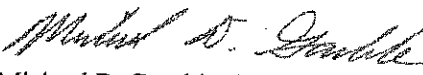

Michael D. Gamble, Secretary
Alabama Department of Revenue

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810-2-5-.01 Registration Of Securities-Securities To Be Registered.

Securities consisting of capital stock, stock certificates, voting trust certificates, bonds, notes, debentures or similar evidences of indebtedness of any foreign corporation and bonds, warrants, notes, debentures or other evidence of indebtedness of any state or of any governmental subdivision other than the State of Alabama, or some political subdivision thereof, may be registered with the State Department of Revenue. Under this rule the term owner means brokers and parties holding or claiming title to any securities in a fiduciary capacity. Also any security exempt by law from ad valorem tax need not be registered.

Author: Ethridge Harper
 Statutory Authority: Code of Ala. 1975, § 40-24-2
 History: Filed July 19, 1993, withdrawn August 5, 1993. Filed August 13, 1993.
 Amended: Filed December 21, 1993. Effective January 25, 1994.
 Repealed: Filed May 22, 2018; Effective

810-2-5-.02 Securities Exempt From Ad Valorem Tax.

(1) Securities exempt from ad valorem tax include but are not restricted to the following:

(a) Those of Alabama domestic corporations.

(b) Those of Alabama charitable, benevolent or educational organizations (churches included).

(c) Stocks of all national banks, but not stock of a holding company which owns, or holds, stock of a bank, if such holding company is an Alabama foreign corporation.

(d) All solvent credits.

(e) State of Alabama bonds.

(f) Counties of Alabama bonds.

(g) Cities of Alabama bonds or municipal bonds.

(h) All securities issued by the United States of America or instrumentality thereof.

(i) Securities received by owner as a result of a stock split if the original securities on which the split is based were properly registered with this Department by the owner of the split stock.

(j) Securities issued in exchange for or in lieu of listed securities representing the same indebtedness are exempt if such securities are issued to the original registrar.

(k) All other securities where owner has registered such securities with the State of Alabama, Department of Revenue.

(2) Stock that is received as a result of a stock dividend on stock not exempt from ad valorem tax is subject to ad valorem tax and, therefore may be registered.

Author:

Statutory Authority: Code of Ala. 1975, § 40-24-3.

History: Repealed: Filed May 22, 2018; Effective

810-2-5-.03 Who Should Register Securities And When They Should Be Registered.

Any owner of any securities enumerated in Code of Ala. 1975, § 40-24-1, may, as to securities acquired from time to time as of the first day of October next following the date of acquisition, record the fact of his ownership thereof in the office of the Department of Revenue of Alabama, by filing for record in said office a list of these securities held by such owner, stating the name and address of such owner, duly verified by affidavit stating the fact of such holding and sworn to by such owner. Any

such list shall state the names of the corporations or government which issued the respective securities listed, shall describe the nature of each security listed, shall state the number and amount of each class of securities described and shall identify the same by the serial number appearing thereon. Such record of ownership may be made for any owner by any broker, agent or representative without listing or disclosing the name of the beneficial owner of any securities.

Author:

Statutory Authority: Code of Ala. 1975, § 40-24-3.

History: Repealed: Filed May 22, 2018; Effective

810-2-5-.04 Basis And Rate Of Tax On Shares Of Stock.

The basis of the tax is the par value or principal amount. Shares of stock having no nominal or par value shall be listed as the actual value or if the actual value cannot be determined to the satisfaction of the Revenue Department a value of \$100.00 per share shall be assigned. The rate of tax is 25cts for each \$100.00 of value or fraction thereof. In addition, a filing fee of 50cts for each list and a recording fee of 10cts per 100 words is charged.

Author:

Statutory Authority: Code of Ala. 1975, § 40-24-3.

History: Repealed: Filed May 22, 2018; Effective

810-2-5-.05 Why Securities Should Be Registered.

Securities are considered personal property and, as such, subject to ad valorem tax. Ad valorem tax rates greatly exceed the registration tax and are levied annually. By listing securities with the Revenue Department one time and paying the nominal registration fee, these securities so registered are exempt from ad valorem tax, as long as they are held by the person so registering.

Author:

Statutory Authority: Code of Ala. 1975, § 40-24-3.

History: Repealed: Filed May 22, 2018; Effective