

ORDINANCE NO. 02-16-2016

AN ORDINANCE AMENDING SECTION 13 ORDINANCE NO. 02-17-2011 TO LEVY AND DEFINE A MUNICIPAL SALES AND USE TAX UPON RETAIL SALES AND/OR USE OF CERTAIN ITEMS AND SERVICES SOLD OR USED WITHIN THE RAINSVILLE CORPORATE LIMITS AND POLICE JURISDICTION.

BE IT ORDAINED BY THE CITY COUNCIL OF RAINSVILLE, ALABAMA, as follows:

**SECTION 1 - Purpose and Reasons.** The Rainsville City Council passed its Ordinance No. 02-17-2011 An Ordinance To Levy And Define A Municipal Sales And Use Tax Upon Retail Sales And/Or Use Of Use Of Certain Items And Services Sold Or Used Within The Rainsville Corporate City Limits and Police Jurisdiction On February 17, 2011. Section 13 of Ordinance No. 02-17-2011 is hereby amended to reflect a reduced rate in Agriculture & Manufacturing.

**SECTION 2 – Notice to Taxpayers.** The Rainsville City Council has caused a notice of the new and amended Sales and Use Tax Ordinance to reflect the reduced rates in Agriculture and Manufacturing to be issued to taxpayers affected thereby and located within the corporate boundaries and police jurisdiction of the City on or about January 28, 2016, that such Ordinance will become effective on March 1, 2016, to give a 30-day notice to tax payers located in the corporate boundaries and police jurisdiction in the City.

**SECTION 3 – AMENDMENT. SECTION 13 OF ORDINANCE NO. 02-17-2011**

A. An excise tax or use tax is hereby imposed on the storage, use or other consumption in the City of **tangible personal property**, not including materials and supplies bought for use in fulfilling a contract for the painting, repairing, or reconditioning of vessels, barges, ships and other watercraft of more than fifty (5) tons burden, purchased at retail for storage, use or other consumption in the City at the rate of **four percent (4%)** of the sales price of such property within the corporate limits of the City, except as provided in subsections B, C, and D of this section.

B. An excise tax or use tax is hereby imposed on the storage, use or other consumption in the City of any **machines used in mining, quarrying, compounding, processing, and manufacturing of tangible personal property** purchased at retail at the rate of **four percent (4%)** of the sales price of any such machine within the corporate limits of the City; provided, that the term "machine" as used herein, shall include machinery, which is used for mining, quarrying, compounding, processing, or manufacturing tangible personal property, and the parts of such machines, attachments and replacements therefor, which are made or manufactured for use on or in the operation of such machines and are customarily so used.

C. An excise tax or use tax is hereby imposed on the storage, use or other consumption in the City of an **automobile, vehicle, or truck trailer, semi-trailer or house trailer purchases at retail for storage**, use or other consumption in the City at the rate of **one percent (1%)** of the sales price of such automotive vehicle, truck trailer, semi-trailer or house trailer is taken in trade, or in a series of trades, as a credit or part payment on the sale of a new or used vehicle, the tax levied herein shall be paid on the

net difference, that is, the price of the new or used vehicle sold, less the credit for the used vehicle taken in trade.

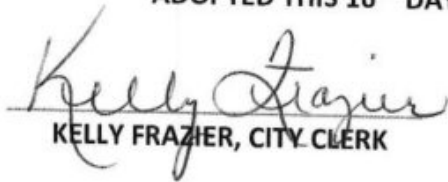
D. An excise tax or use tax is hereby levied and imposed on the storage, use or other consumption in the City of any machine, machinery or equipment which is used in planting, **cultivating, and harvesting farm products, or used in connection with the production of agricultural produce or products, livestock, or poultry on farms**, and the parts of such machines, machinery or equipment, attachments and replacements therefor, which are made or manufactured for use on or in the operation of such machine, machinery, or equipment, and which are necessary to and customarily used in the operation of such machine, machinery or equipment, which is purchased at retail, for storage, use or other consumption in the City at the rate of **four percent (4%)** of the sales price of such property within the corporate limits of the City, regardless of whether the retailer is or is not engaged in the business in this City; provided, however, that the rate prescribed in this subsection with respect to parts, attachments, and replacements shall not apply to any automotive vehicle or trailer designed primarily for public highway use, except farm trailers used primarily in the production and harvesting of agricultural commodities. Where any used machine, machinery or equipment which is used in planting, cultivating, and harvesting farm products, or used in the connection with the production of agricultural produce or products, livestock and poultry on farms, is taken in trade or in a series of trades as a credit or part payment on a sale of a new or used machine, machinery or equipment, the tax levied herein shall be paid on the net difference, that is, the price of the new or used machine, machinery or equipment sold, less the credit for the used machine, machinery or equipment taken in trade.

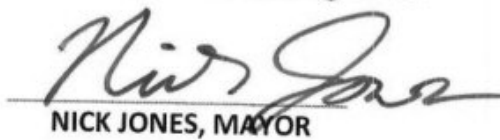
A. The Mayor and Council have determined that it would be more proper and effective to reduce the tax rate imposed on the storage, use or other consumption in the City of any **machines used in mining, quarrying, compounding, processing, and manufacturing of tangible personal property** at retail to a rate of **two percent (2%)** of the sales price of any such machine within the corporate limits of the City.

B. The Mayor and Council have determined that it would be more proper and effective to reduce the rate imposed on the storage, use or other consumption in the City of any machine, machinery, or equipment which is used in **planting, cultivating, and harvesting farm products, or used in connection with the production of agricultural produce or products, livestock, and poultry on farms**, and the parts of such machines, machinery or equipment, attachments and replacements therefor, which are made or manufactured for use or in the operation of such machine, machinery, or equipment and which are necessary to and customarily used in the operation of such machine, machinery, or equipment, which is purchased at retail, for storage, use or other consumption in the City to a rate of **one percent (1%)** of the sales price of such property within the corporate city limits of the City, regardless of whether the retailer is or is not engaged in the business in this City.

**SECTION 4 – Balance of Ordinance Remains Unchanged.** All provisions of Ordinance No. 02-17-2011 not specifically modified or amended hereby remain in full force and effect on their existing terms.

ADOPTED THIS 16<sup>TH</sup> DAY OF FEBRUARY, 2016.

  
KELLY FRAZIER, CITY CLERK

  
NICK JONES, MAYOR