



This Week in State Tax (TWIST)

June 26, 2023



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Alabama: Monthly Sales Tax Filing Threshold Increased

Under current law, businesses with an average monthly state sales tax liability of \$5,000 or greater in the preceding calendar year are required to make estimated payments to the Department of Revenue each month. The estimated payment is the lesser of 2/3 of the liability for the same month in the previous year or 2/3 of the estimated liability for the current month. Recently signed House Bill 77 increases this threshold amount to an average monthly state sales tax liability of \$20,000 or more. The fiscal note for the bill estimates that an additional 3,100 small businesses will no longer be required to prepay their sales taxes under the revised law. This change is effective on October 1, 2023. Please stay tuned to TWIST for additional sales tax changes.



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