



September 24, 2025

The Honorable Rob Robertson  
Probate Judge  
Tuscaloosa County Commission  
714 Greensboro Avenue  
Tuscaloosa, Alabama 35401

Dear Judge Robertson,

First, thank you for your service. It matters and is deeply appreciated.

I recently learned of the Tuscaloosa County Commission's (Commission) resolution to oppose any changes to Alabama's Simplified Sellers Use Tax (SSUT)<sup>1</sup>. I understand that the Commission benefits from SSUT; however, the rest of the community is not as fortunate.

In response to your resolution, I am appealing to the Commission with two goals.

The first is to formally share the City of Tuscaloosa's position regarding SSUT and provide the Commission with a factual basis for it. Our position is grounded in the best data that is available (to us) and has been analyzed through years of research. Although we have discussed this matter with the Commission since 2017, it is evident that the City of Tuscaloosa needs to memorialize our deep concerns as one of the recipients of the Three-Percent Countywide Sales Tax.

The second is to make you aware that Tuscaloosa County is being negatively impacted by SSUT. The consequences are ever expanding as digital retail supplants traditional retail. Making matters worse, the Alabama Department of Revenue (ADOR) is working to diminish the principle of physical nexus through the Door Dash Loophole.

SSUT is complicated, but this community has risen to meet complex needs in the past.

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<sup>1</sup> Tuscaloosa County Resolution – September 17, 2025



OFFICE OF THE MAYOR

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In 2015, Tuscaloosa County's local governments, school systems, and business leaders worked with the Tuscaloosa County Legislative Delegation to pass House Bill (HB) 600 – Transforming Tuscaloosa County. This landmark legislation provided a perpetual funding source for local schools and created a revenue stream for significant, much-needed road projects.

The results of HB 600 are self-evident and demonstrate that when we work together, we can achieve meaningful solutions. Last week's ribbon cutting for McWright's Ferry Road demonstrates this.

Although hope is not a strategy, I am optimistic the Commission can understand the dramatic changes in retail that are eroding revenues from the recipients of the Three-Percent Countywide Sales Tax. Further, I am hopeful that the Commission will become countywide advocates for all our schools, local governments, healthcare system and roads by working to fix SSUT.

As John Adams said, "facts are stubborn things." In that spirit, I'm providing a comprehensive report to support the goals of this appeal.

### **Three-Percent Countywide Sales Tax**

In 1953, the Alabama Legislature enacted a countywide sales tax for Tuscaloosa County. This act has been amended several times. The current rate is three percent, which is nearly three-quarters of a percentage point above the statewide average of 2.28 percent.<sup>2</sup>

Below is the breakdown of the current Three-Percent Countywide Sales Tax:

Tuscaloosa County Schools (TCSS):	25 percent
Tuscaloosa City Schools (TCS):	20 percent
City of Tuscaloosa:	19 percent
Tuscaloosa County:	14.3 percent
Tuscaloosa County Road Improvement Commission (TCRIC):	10 percent
DCH Health System (DCH):	6.7 percent
City of Northport (Northport):	5 percent

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<sup>2</sup> Sales Taxes in Alabama's Counties

Below is the revenue generated by the Three-Percent Countywide Sales Tax in Fiscal Year (FY) 2024:

TCSS:	\$29,394,500
TCS:	\$23,515,600
City of Tuscaloosa:	\$22,339,820
Tuscaloosa County Commission:	\$16,813,654
TCRIC:	\$11,757,800
DCH:	\$7,877,726
<u>City of Northport:</u>	<u>\$5,878,900</u>
<b>Total:</b>	<b>\$117,578,000</b>

The Three-Percent Countywide Sales Tax has been essential to Tuscaloosa County's growth and quality of life for 73 years. Unfortunately, SSUT and ADOR are significantly diminishing its effectiveness for six of these seven recipients.

### **Simplified Sellers Use Tax**

Enacted by the Alabama Legislature in 2015, SSUT is a program designed to mirror sales taxes by replacing lost revenues due to online sales from out-of-state corporations. Considering the legal and technological limitations that existed at that time of SSUT's inception, participation in the program was voluntary.

Eventually, the limitations evaporated, creating the opportunity for destination sourcing (sales are taxed where owner takes possession). Destination sourcing for online purchases has been implemented by several states, including Tennessee, and has proven highly effective.

In 2018, *South Dakota v. Wayfair* provided states the ability to "tax" out-of-state internet-based companies. Unfortunately, the State of Alabama (State) never modernized, and SSUT remains a voluntary program today.

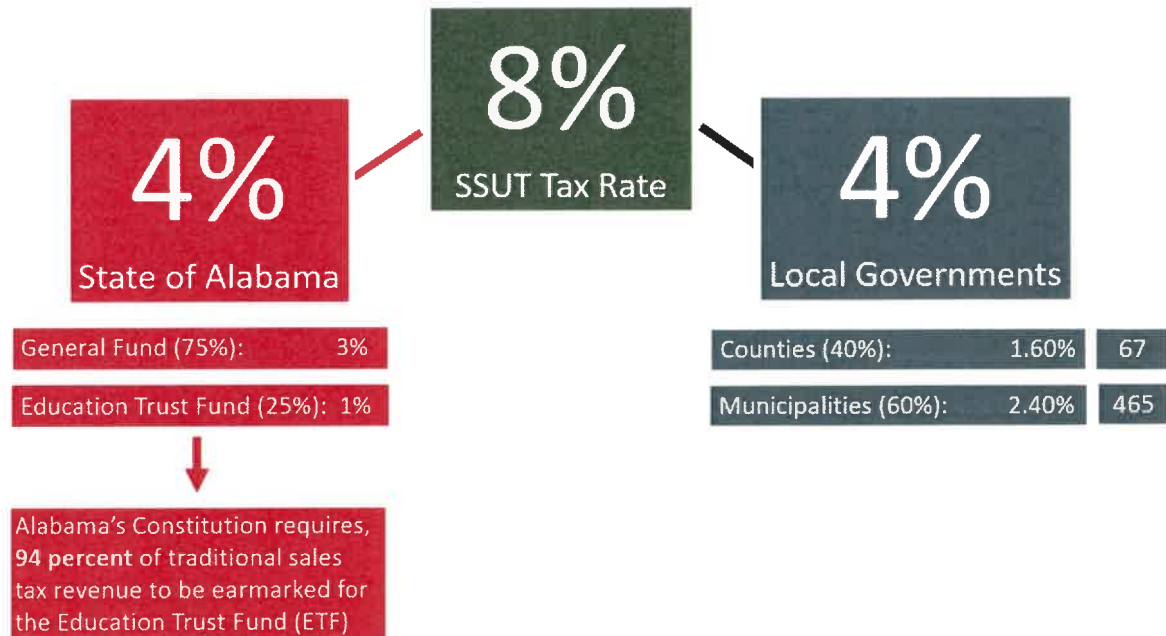
SSUT charges a flat tax rate of 8 percent. Under SSUT's distribution formula, local governments receive 4 percent, and the State receives 4 percent. The State's 4 percent is the same for both traditional and online retail – More on this later.

The 4 percent allocated to local governments is then divided by counties and municipalities. Counties receive 1.6 percent of the 4 percent of the revenues, which is then divided by population. Municipalities receive 2.4 percent of the 4 percent, divided by population.

For counties, the population includes everyone residing within both incorporated and unincorporated areas. In other words, the Commission receives the benefit of having the

populations of the City of Tuscaloosa, City of Northport, and every other municipality in Tuscaloosa County included in your annual allocation.

Below is a graph detailing SSUT's distribution:



Opponents of modernizing SSUT have claimed that it is not a sales tax. This is ridiculous for two primary reasons. First, SSUT's state sales tax rate is identical to the state's sales tax rate on traditional retail. That is not accidental.

Second, ADOR makes it clear that SSUT is a sales and use tax by providing an annual refunding process for citizens who live in jurisdictions where the 8 percent SSUT rate is higher than the local combined sales tax. (<https://www.revenue.alabama.gov/faqs/what-is-the-refund-process/>). ADOR's refunding scheme, established by **Act 2015-448**, clearly conveys the Alabama Legislature's intent to design an online sales tax that mirrored traditional sales taxes in counties and municipalities.

Logically, if SSUT is not a sales tax, then it cannot lawfully replace the sales tax that these companies are otherwise required to collect.

### Online retail is replacing traditional retail in Tuscaloosa County

Consider this:

1. 16.3 percent of all retail sales occur online<sup>3</sup>

<sup>3</sup> United States Department of Commerce – First Quarter of 2025 Update

2. Percent of citizens who have shopped on Amazon in the last 6 months:
  - City of Tuscaloosa: 73%<sup>4</sup>
  - City of Northport: 73%<sup>5</sup>
  - Tuscaloosa County: 72%<sup>6</sup>
3. Percent of citizens who have shopped on Walmart Marketplace (SSUT) in the last 6 months:
  - City of Tuscaloosa: 29%<sup>7</sup>
  - City of Northport: 28%<sup>8</sup>
  - Tuscaloosa County: 30%<sup>9</sup>
4. Research shows that two-thirds of individuals aged 16–34 do most of their shopping online<sup>10</sup>
5. Average median age<sup>11</sup>:
  - Tuscaloosa County: 33.3 years
  - City of Tuscaloosa: 28.2 years
  - City of Northport: 36.2 years
  - State of Alabama: 39.3 years
6. Although Tuscaloosa County continues to grow in population, the Three-Percent Countywide Sales Tax has been growing at less than 2 percent annually since 2023<sup>12</sup>
7. The University of Alabama's (UA) students spend \$561 million in the Tuscaloosa metro area annually<sup>13</sup>

The above data points lead to two conclusions.

First, the City of Tuscaloosa, Tuscaloosa County and City of Northport are considerably younger than state and national averages. Data and logic indicate that Tuscaloosa County residents are shopping online at greater percentages than most counties and municipalities.

Second, our classrooms, law enforcement, fire departments, healthcare system and roads are not receiving the full benefits of a population that shops online. Even more unique for our community, there are 42,000 UA students who call Tuscaloosa County home and have a tremendous amount of spending power which is not captured under SSUT's current scheme.

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<sup>4</sup> ESRI ArcGIS Business Analyst Pro and MRI-Simmons

<sup>5</sup> ESRI ArcGIS Business Analyst Pro and MRI-Simmons

<sup>6</sup> ESRI ArcGIS Business Analyst Pro and MRI-Simmons

<sup>7</sup> ESRI ArcGIS Business Analyst Pro and MRI-Simmons

<sup>8</sup> ESRI ArcGIS Business Analyst Pro and MRI-Simmons

<sup>9</sup> ESRI ArcGIS Business Analyst Pro and MRI-Simmons

<sup>10</sup> *Online Overtakes In-Store Shopping for Young Consumers*, September 2024

<sup>11</sup> United States Census Bureau – 2024 Update

<sup>12</sup> City of Tuscaloosa – Mayor Maddox FY 2026 Budget Recommendations: [Tuscaloosa.com/FY26budget](https://tuscaloosa.com/FY26budget)

<sup>13</sup> UA-CBER – 2021-2022 UA Student Spending Power

## SSUT's financial impact on Tuscaloosa County – FY 2024

Calculating the difference between destination sourcing and SSUT is difficult because ADOR has steadfastly refused to obtain, analyze or provide the data that they require all eligible sellers to collect. We deserve better as policy and decision-makers, but these are the cards dealt.

To analyze SSUT's financial impact, I'm going to utilize three methodologies:

1. Assuming 16 percent of all retail sales are online<sup>14</sup>
2. Assuming 10.15 percent of all retail sales are online<sup>15</sup>
3. Assuming Alabamians, who are 18 years or older, spend \$3,196 online annually<sup>16</sup>

The City of Tuscaloosa's published method is 16 percent of all retail sales in Tuscaloosa County are online. Why? The community's median age, spending power and population growth validates this method.

Below are the revenue losses with the assumption that 16 percent of all retail sales are online:

### 16 percent of all retail sales online – Three-Percent Countywide Sales Taxes revenues lost in FY 2024:

TCSS:	\$ 5,598,952
TCS:	\$ 4,479,162
City of Tuscaloosa:	\$ 4,255,204
TCRIC:	\$ 2,239,581
DCH:	\$ 1,500,519
<u>City of Northport:</u>	<u>\$ 1,119,790</u>
<b>Total:</b>	<b>\$19,193,208</b>

In addition to the above losses, below are the revenue losses in FY 2024, with the assumption that 16 percent of all retail sales are online as applied to municipal sales taxes:

### 16 percent of all retail sales online – City revenues lost in FY 2024<sup>17</sup>:

City of Tuscaloosa	\$ 15,299,782
City of Northport	\$ 4,439,473

<sup>14</sup> United States Department of Commerce – First Quarter of 2025 Update

<sup>15</sup> 1819 News: <https://1819news.com/news/item/cities-counties-clash-over-alabamas-internet-sales-tax>

<sup>16</sup> Capital One Spending Online Report

<sup>17</sup> FY 2024 Online Sales Impact

Below are the total revenue losses for FY 2024, after taking into account the SSUT distribution from the State for the City of Northport and the City of Tuscaloosa, assuming 16 percent of retail sales occur online:

**16 percent of retail sales online – Total revenues lost in FY 2024:**

City of Tuscaloosa	\$ 11,393,088
City of Northport	\$ 3,008,670
TCSS:	\$ 5,598,952
TCS:	\$ 4,479,162
TCRIC:	\$ 2,239,581
<u>DCH:</u>	<u>\$ 1,500,519</u>
<b>Total:</b>	<b>\$28,219,972</b>

While 6 of the 7 recipients of the Three-Percent Countywide Sales Tax experienced significant revenue losses utilizing this methodology in FY 2024, the Commission gained \$4.4 million in additional revenue above what would have been earned through destination sourcing<sup>18</sup>.

Recently, in an article posted on the website of *1819 News*, Executive Director of the Alabama Association of County Commissioners, Sonny Brasfield, disputed the City's methodology for calculating losses under SSUT, and offered his own version:

"We believe the claims of lost revenue are greatly exaggerated. For example, the critics claim internet sales are 16 percent of total sales tax collections. And that number is correct on a national basis. But if you bother to look at the revenue received from SSUT, you'll see that in Alabama, **internet sales are only 10.15 percent of sales tax collections.**" <sup>19</sup>

Although we strongly disagree with Mr. Brasfield's methodology as outlined above, **we do agree with his characterization that SSUT is a sales tax.** For analysis, let's examine the impact of 10.15 percent of retail sales occurring online in Tuscaloosa County - Below are the revenue losses<sup>20</sup>:

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<sup>18</sup> FY 2024 Online Sales Impact

<sup>19</sup> 1819 News: <https://1819news.com/news/item/cities-counties-clash-over-alabamas-internet-sales-tax>

<sup>20</sup> FY 2024 Online Sales Impact

**10.15 percent of all retail sales online – Three-Percent Countywide Sales Tax revenues lost in FY 2024:**

TCSS:	\$ 3,320,581
TCS:	\$ 2,656,465
City of Tuscaloosa:	\$ 2,523,641
TCRIC:	\$ 1,328,232
DCH:	\$ 889,916
<u>City of Northport:</u>	<u>\$ 664,116</u>
<b>Total:</b>	<b>\$11,382,951</b>

In addition to the above losses, below are the revenue losses in FY 2024 with the assumption that 10.15 percent of all retail sales are online as applied to municipal sales taxes:

**10.15 percent of all retail sales online - City revenues lost in FY 2024<sup>21</sup>:**

City of Tuscaloosa	\$ 9,073,869
City of Northport	\$ 2,632,926

Below are the total revenue losses in FY 2024, after taking into account the SSUT distribution from the State for the City of Northport and the City of Tuscaloosa, assuming 10.15 percent of all retail sales occur online:

**10.15 percent of all retail sales online – Total revenues lost in FY 2024:**

City of Tuscaloosa	\$ 3,435,612
City of Northport	\$ 746,449
TCSS:	\$ 3,320,581
TCS:	\$ 2,656,465
TCRIC:	\$ 1,328,232
<u>DCH:</u>	<u>\$ 889,916</u>
<b>Total:</b>	<b>\$12,377,255</b>

While 6 of the 7 recipients of the Three-Percent Countywide Sales Tax experienced significant revenue losses utilizing this methodology, the Commission gained \$5.7 million in additional revenue above what would have been earned through destination sourcing<sup>22</sup>.

Mr. Brasfield’s methodology is acknowledging that 6 of the 7 recipients of the Three-Percent Countywide Sales Tax are losing millions upon millions. Frankly, it is striking that the Commission would adopt a resolution that supports Mr. Brasfield’s best-case scenario for SSUT – **A scenario that reveals TCSS and TCS losing \$3.3 million and \$2.6 million respectively in FY 2024.** I find it difficult to believe that the Commission finds this to be acceptable.

<sup>21</sup> FY 2024 Online Sales Impact – Tuscaloosa County

<sup>22</sup> FY 2024 Online Sales Impact – Tuscaloosa County



Finally, let's apply a methodology based on what the average Alabamian, who is over the age of 18, spends online annually.<sup>23</sup> As with Mr. Brasfield's 10.15 percent model, the City believes this methodology does not reflect Tuscaloosa County's economic and age demographics.

Below are the total revenue losses for FY 2024, assuming the average Alabamian, who is 18 years or older, spends \$3,196 online annually:

**Alabama Online Spending Per Capita – Three-Percent Countywide Sales Tax revenues lost for FY 2024:**

TCSS:	\$ 4,625,467
TCS:	\$ 3,700,374
City of Tuscaloosa:	\$ 3,515,355
TCRIC:	\$ 1,850,187
DCH:	\$ 1,239,625
<u>City of Northport:</u>	<u>\$ 925,093</u>
<b>Total:</b>	<b>\$ 15,856,101</b>

Below are the total revenue losses for FY 2024, assuming the average Alabamian, who is 18 years or older, spends \$3,196 online annually, as applied to municipal sales taxes:

**Alabama online spending per capita – City revenues lost for FY 2024<sup>24</sup>:**

City of Tuscaloosa	\$ 9,007,351
City of Northport	\$ 2,515,220

Below are the total revenue losses in FY 2024, after taking into account the SSUT distribution from the State for the City of Northport and the City of Tuscaloosa, assuming the average Alabamian, who is 18 years or older, spends \$3,196 online annually:

**Alabama online spending per capita – Total revenues lost for FY 2024:**

City of Tuscaloosa	\$ 4,360,808
City of Northport	\$ 814,147
TCSS:	\$ 4,625,467
TCS:	\$ 3,700,374
TCRIC:	\$ 1,850,187
<u>DCH:</u>	<u>\$ 1,239,625</u>
<b>Total:</b>	<b>\$16,590,608</b>

While 6 of the 7 recipients of the Three-Percent Countywide Sales Tax experienced significant revenue losses utilizing this methodology in FY 2024, the Commission gained \$4.9

<sup>23</sup> Capital One Spending Online Report

<sup>24</sup> SSUT's Impact on Tuscaloosa County – FY 2024

million in additional revenue above what would have been earned through destination sourcing<sup>25</sup>.

The tables below are a recap of all three methodologies<sup>26</sup>:

Three-Percent Countywide Sales Tax			
Recipient	16% Online Lost Revenue	10.15% Online Lost Revenue	\$3,196 Per Capita Lost Revenue
TCSS	\$ 5,598,952	\$ 3,320,581	\$ 4,625,467
TCS	\$ 4,479,162	\$ 2,656,465	\$ 3,700,374
City of Tuscaloosa	\$ 4,255,204	\$ 2,523,641	\$ 3,515,355
TCRIC	\$ 2,239,581	\$ 1,328,232	\$ 1,850,187
DCH	\$ 1,500,519	\$ 889,916	\$ 1,239,625
City of Northport	\$ 1,119,790	\$ 664,116	\$ 925,093
<b>Total</b>	<b>\$ 19,193,208</b>	<b>\$ 11,382,951</b>	<b>\$ 15,856,101</b>

Municipal Sales Tax			
City Governments: Sales Tax	16% Online Lost Revenue	10.15% Online Lost Revenue	\$3,196 Per Capita Lost Revenue
City of Tuscaloosa	\$ 15,299,782	\$ 9,073,869	\$ 9,007,351
City of Northport	\$ 4,439,437	\$ 2,632,926	\$ 2,515,220
<b>Total</b>	<b>\$ 19,739,219</b>	<b>\$ 11,706,795</b>	<b>\$ 11,522,571</b>

Total Sales Tax Revenue Impact			
All Local Governments: Sales Tax	16% Online Lost (Gained) Revenue	10.15% Online Lost (Gained) Revenue	\$3,196 Per Capita Lost (Gained) Revenue
City of Tuscaloosa	\$ 11,393,088	\$ 3,435,612	\$ 4,360,808
City of Northport	\$ 3,008,670	\$ 746,449	\$ 814,147
Tuscaloosa County	\$ (4,416,819)	\$ (5,720,048)	\$ (4,973,653)
<b>Total</b>	<b>\$ 9,984,939</b>	<b>\$ (1,537,987)</b>	<b>\$ 201,302</b>

**The data is clear.** The Commission's windfall from SSUT is coming at the expense of others. The recipients of the Three-Percent Countywide Sales Tax are losing significant sales tax revenues. Losing this revenue means less for teachers, students, neighborhoods, police officers, firefighters, healthcare and road projects.

<sup>25</sup> Capital One Spending Online Report

<sup>26</sup> SSUT's Impact on Tuscaloosa County - FY 2024

In FY 2024, the Tuscaloosa County Commission received \$7.8 million in SSUT proceeds. However, these proceeds were not distributed in accordance with the Three-Percent Countywide Sales Tax. In fact, Tuscaloosa County's SSUT proceeds have never been distributed to the intended recipients of the Three-Percent Countywide Sales Tax. The consequences of this decision are ever-increasing as online retail demands a higher share of the traditional retail markets.

SSUT should be treated as sales tax. The technology is available, and the law is clear. Other states are proving it is effective. In FY 2024, over 80 percent of businesses in Tuscaloosa County were in City of Northport and the City of Tuscaloosa – **Sales taxes should follow retail – Sales taxes should follow where services are being provided.** To abdicate this long held principle is to suffocate earned resources from our school systems, local governments, DCH, and TCRIC.

### **It is getting worse – The Door Dash Loophole**

I'm sure you've heard of the *Duck Test*: "If it walks like a duck, swims like a duck, and quacks like a duck—then it is a duck." This is simply common sense.

ADOR wants our community to defy common sense by believing that when a product is sold, delivered, and consumed within City of Tuscaloosa, City of Northport, or Tuscaloosa County, whether by Walmart online or through their app, DoorDash, Shipt, or others, it does not count as a local purchase.

Instead, ADOR wants you to believe these transactions are online sales from out-of-state corporations. This practice, often referred to as the "Door Dash Loophole," clearly fails the Duck Test. ADOR has significantly expanded the number of sellers eligible for SSUT through marketplace facilitator laws. Only ADOR can explain the reasoning behind this expansion, but the consequences are clear:

1. Locally owned small businesses are being undercut in favor of corporations in California and elsewhere.
2. The long-standing principle of physical nexus is moving towards extinction under ADOR's current implementation of marketplace facilitators under SSUT.

Example: The Impact of SSUT on a \$1,000 Purchase

**Traditional Retail: In-store purchase in Tuscaloosa or Northport Walmart -  
Three-Percent Countywide Sales Tax:**

TCSS:	\$ 7.50
TCS:	\$ 6.00
Tuscaloosa:	\$ 5.70
Tuscaloosa County:	\$ 4.29
TCRIC	\$ 3.00
DCH	\$ 2.01
<u>City of Northport:</u>	<u>\$ 1.50</u>
<b>Total:</b>	<b>\$30.00</b>

Online purchase from Walmart Marketplace (shopping online or with the App and delivered or picked up locally):

**Online Retail: Walmart Marketplace in Tuscaloosa or Northport –  
Three-Percent Countywide Sales Tax:**

TCSS:	\$0.00
TCS:	\$0.00
Tuscaloosa:	\$0.80
Tuscaloosa County:	\$0.70
TCRIC	\$0.00
DCH	\$0.00
<u>City of Northport:</u>	<u>\$0.20</u>
<b>Total:</b>	<b>\$1.70</b>

**Result:** The exact same \$1,000 purchase, purchased from the same Walmart, generates \$28.30 less in local sales taxes. Why? Because ADOR classifies the purchase through Walmart Marketplace as an SSUT purchase, although it was sold, delivered, and consumed either in City of Tuscaloosa, City of Northport, or Tuscaloosa County.

**The future of our community depends on fixing SSUT**

Our community has funding challenges:

1. In the past 18 months, TCSS and TCS have tried and failed to seek property tax referendums to fund their schools.
2. Over the past three years, sales taxes have experienced marginal growth despite being one of the fastest growing cities in Alabama. As a result, the City of Tuscaloosa is facing budget cuts in several critical areas including capital projects, agency funding and economic development.

3. DCH continues to take on more non-payers as rural healthcare collapses in surrounding counties.
4. TCRIC's sales tax revenue has remained anemic, which makes planning for future investments uncertain.

SSUT continues to diminish the entities that make Tuscaloosa County strong and vibrant. I hope you will join the City of Tuscaloosa in supporting common sense. Sales taxes generated by our local businesses and paid by our citizens should stay in our community.

I am available to sit down with you and share our methodologies, data and every aspect of Tuscaloosa's operating and capital budgets. To address the Commission's revenue concerns, as we have discussed, I'm willing to explore how the City of Tuscaloosa could partner with Tuscaloosa County in a transition to destination sourcing.

My hope is that the City's appeal is not only considered but acted upon before the consequences of inaction are significantly felt in our classrooms, businesses, neighborhoods, hospitals, roads, economic development and overall quality of life.

Tuscaloosa County needs your leadership.

Sincerely,



Walt Maddox  
Mayor

CC: Tuscaloosa County Board of Education  
Tuscaloosa City Board of Education  
Tuscaloosa City Council  
Tuscaloosa County Road Improvement Commission  
DCH Healthcare Authority Board of Directors  
Northport City Council  
Tuscaloosa County Legislative Delegation  
Tuscaloosa County Special Tax Board

Enclosures: Tuscaloosa County Commission's Resolution  
Sales Taxes in Alabama's Counties  
FY 2024 Online Sales Impact  
Capital One Online Reporting  
SSUT's Impact on Tuscaloosa County – FY 2024

**ENCOURAGING THE ALABAMA LEGISLATURE TO OPPOSE ANY LEGISLATIVE  
CHANGES THAT WOULD DISRUPT THE SSUT PROGRAM'S OPERATIONS OR  
CALL THE PROGRAM'S CONSTITUTIONALITY INTO QUESTION**

**WHEREAS**, the Alabama Simplified Sellers Use Tax (SSUT) Remittance Act, codified at Section 40-23-191 *et seq.*, Code of Alabama 1975, was enacted in 2015, establishing a process by which the State of Alabama collects use taxes from eligible sellers on behalf of Alabama consumers; and

**WHEREAS**, in *South Dakota v. Wayfair*, 585 U.S. 162 (2018), the United States Supreme Court held that the State may collect taxes from sellers that have a “substantial nexus” in the State, even where there is no physical presence, provided that the tax does not impose an undue burden on interstate commerce; and

**WHEREAS**, the SSUT program is designed to fall within the United States Supreme Court’s guidelines and has been a model for other states across the country; and

**WHEREAS**, the SSUT program is now under attack by a small group of mayors who have been publicly criticizing the same program that, since its enactment, has provided more than \$4.2 billion in essential revenue to the Alabama General Fund, the Alabama Education Trust Fund, Alabama’s 67 county governments, and Alabama’s municipal governments; and

**WHEREAS**, individual counties and municipalities have no constitutionally valid authority to compel online retailers to collect use taxes from Alabama consumers; and

**WHEREAS**, challenges to and attacks upon the SSUT program place essential revenue at risk for all levels of government and, therefore, are a threat to our State’s continued growth.

**NOW, THEREFORE, BE IT RESOLVED BY THE TUSCALOOSA COUNTY**

**COMMISSION** that the County Commission fully supports the current SSUT program as an efficient, constitutional, and operationally effective process for collecting use taxes due on behalf of Alabama consumers who utilize eligible sellers for delivery of taxable products into Alabama.

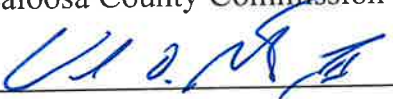
**BE IT FURTHER RESOLVED BY THE TUSCALOOSA COUNTY COMMISSION** that the revenue generated by the SSUT program will continue to support essential governmental services in the county.

**BE IT FURTHER RESOLVED BY THE TUSCALOOSA COUNTY COMMISSION** that the County Commission fully supports the use of population data to allocate the county portion of the revenue among our State’s 67 county governments as is currently provided by law.

**BE IT FURTHER RESOLVED BY THE TUSCALOOSA COUNTY COMMISSION**  
that the County Commission strongly opposes any legislative efforts to alter the SSUT program in a way that would disrupt its operations or call into question its constitutionality.

**IN WITNESS WHEREOF**, the County Commission has caused this resolution to be executed in its name and on its behalf by its Chair, on this 17th day of September, 2025.

Ward D. Robertson III, Chairman  
Tuscaloosa County Commission



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ATTEST:



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Byron D. Waid, County Administrator

Counties	2024 SSUT Allocation	<sup>1</sup> Population	County Sales Tax Rate
Autauga	\$ 2,031,995	61,464	2.00%
Baldwin	\$ 8,008,661	261,608	3.00%
Barbour	\$ 871,576	24,358	1.50%
Bibb	\$ 770,330	22,258	4.00%
Blount	\$ 2,043,363	60,163	4.00%
Bullock	\$ 357,884	9,901	2.50%
Butler	\$ 658,303	18,256	1.50%
Calhoun	\$ 4,023,595	116,427	3.00%
Chambers	\$ 1,201,539	33,813	1.00%
Cherokee	\$ 862,868	26,138	3.50%
Chilton	\$ 1,555,450	47,262	4.00%
Choctaw	\$ 437,636	12,052	3.00%
Clarke	\$ 797,767	22,142	1.00%
Clay	\$ 491,922	14,239	2.00%
Cleburne	\$ 520,257	15,905	2.00%
Coffee	\$ 1,847,472	56,358	1.00%
Colbert	\$ 1,977,467	58,785	1.50%
Conecuh	\$ 400,732	11,109	2.00%
Coosa	\$ 358,921	10,291	3.00%
Covington	\$ 1,298,224	37,748	2.50%
Crenshaw	\$ 455,916	13,114	3.50%
Cullman	\$ 3,036,192	92,604	4.50%
Dale	\$ 1,704,450	50,067	1.00%
Dallas	\$ 1,329,047	35,545	1.50%
DeKalb	\$ 2,474,400	73,122	1.00%
Elmore	\$ 3,040,027	91,042	1.00%
Escambia	\$ 1,270,131	36,630	5.00%
Etowah	\$ 3,574,210	103,207	1.00%
Fayette	\$ 563,969	15,863	2.00%
Franklin	\$ 1,109,658	31,874	2.00%
Geneva	\$ 921,196	27,259	1.00%
Greene	\$ 267,109	7,127	3.00%
Hale	\$ 510,893	15,116	3.00%
Henry	\$ 592,477	18,141	2.00%
Houston	\$ 3,704,343	109,366	1.00%
Jackson	\$ 1,816,857	53,780	2.00%
Jefferson	\$ 23,314,846	664,744	1.00%
Lamar	\$ 482,800	13,543	2.00%
Lauderdale	\$ 3,233,085	97,502	1.50%
Lawrence	\$ 1,142,831	33,567	3.00%
Lee	\$ 6,020,862	187,847	1.00%
Limestone	\$ 3,578,840	118,942	2.00%



Lowndes	\$ 356,294	9,485	4.00%
Macon	\$ 674,924	18,159	2.50%
Madison	\$ 13,412,547	423,355	0.50%
Marengo	\$ 667,702	18,512	3.00%
Marion	\$ 1,013,872	29,323	2.00%
Marshall	\$ 3,372,963	102,156	1.00%
Mobile	\$ 14,333,640	412,339	1.00%
Monroe	\$ 683,217	19,057	3.50%
Montgomery	\$ 7,911,458	225,894	2.50%
Morgan	\$ 4,264,787	126,084	3.00%
Perry	\$ 294,096	7,719	3.00%
Pickens	\$ 660,791	18,508	4.00%
Pike	\$ 1,140,619	33,124	2.50%
Randolph	\$ 759,065	23,067	2.50%
Russell	\$ 2,045,056	58,837	4.00%
Shelby	\$ 7,706,548	235,969	1.00%
St. Clair	\$ 3,148,045	96,927	2.00%
Sumter	\$ 426,579	11,607	3.00%
Talladega	\$ 2,838,642	81,375	2.00%
Tallapoosa	\$ 1,427,493	40,699	2.00%
Tuscaloosa	\$ 7,845,182	241,212	3.00%
Walker	\$ 2,257,879	65,260	2.00%
Washington	\$ 531,729	15,018	1.00%
Wilcox	\$ 366,281	9,865	4.50%
Winston	\$ 813,420	23,869	2.00%
	<b>\$173,612,930</b>	<b>5,157,699</b>	<b>2.31%</b>

**Total                      Total                      Average Sales  
Tax Rate**

<sup>1</sup>Based on the US Census Bureau update (July 2024)

Online Sales Impact  
FY 2024

16% Retail Online						
3 Percent County-wide Sales Tax						
3 Percent Recipients	Share	Traditional Retail Only: Sales Taxes Collected*	Traditional and Online Retail: Projected Sales Taxes**	Lost Revenue		
TCSS	25%	\$ 29,394,500	\$ 34,993,452	\$ 5,598,952		
TCS	20%	\$ 23,515,600	\$ 27,994,762	\$ 4,479,162		
City of Tuscaloosa	19%	\$ 22,339,820	\$ 26,595,024	\$ 4,255,204		
Tuscaloosa County	14.3%	\$ 16,813,654	\$ 20,016,255	\$ 3,202,601		
City of Northport	5%	\$ 5,878,900	\$ 6,998,690	\$ 1,119,790		
TCRIC	10%	\$ 11,757,800	\$ 13,997,381	\$ 2,239,581		
DCH	6.7%	\$ 7,877,726	\$ 9,378,245	\$ 1,500,519		
		\$ 117,578,000	\$ 139,973,809	\$ 22,395,809		
Municipal Sales Tax						
Local Governments: Sales Taxes	Traditional Retail Only: Sales Tax Collected***	Traditional and Online Retail: Projected Sales Taxes**	Municipal Sales Tax Lost Revenue	3 Percent: Lost Revenue (per table above)	SSUT Distribution	Total Lost(Gained) Revenue
City of Tuscaloosa (3.57%)	\$ 80,323,855	\$ 95,623,637	\$ 15,299,782	\$ 4,255,204	\$ 8,161,898	\$ 11,393,088
City of Northport (3.15%)	\$ 23,307,231	\$ 27,746,704	\$ 4,439,473	\$ 1,119,790	\$ 2,550,593	\$ 3,008,670
Tuscaloosa County (0.429%)	-	-	-	\$ 3,202,601	\$ 7,619,420	\$ (4,416,819)
10.15% Retail Online						
3 Percent County-wide Sales Tax						
3 Percent Recipients	Share	Traditional Retail Only: Sales Taxes Collected*	Traditional and Online Retail: Projected Sales Taxes**	Lost Revenue		
TCSS	25%	\$ 29,394,500	\$ 32,715,081	\$ 3,320,581		
TCS	20%	\$ 23,515,600	\$ 26,172,065	\$ 2,656,465		
City of Tuscaloosa	19%	\$ 22,339,820	\$ 24,863,461	\$ 2,523,641		
Tuscaloosa County	14.30%	\$ 16,813,654	\$ 18,713,026	\$ 1,899,372		
City of Northport	5%	\$ 5,878,900	\$ 6,543,016	\$ 664,116		
TCRIC	10%	\$ 11,757,800	\$ 13,086,032	\$ 1,328,232		
DCH	6.70%	\$ 7,877,726	\$ 8,767,642	\$ 889,916		
		\$ 117,578,000	\$ 130,860,323	\$ 13,282,323		
Municipal Sales Tax						
Local Governments: Sales Taxes	Traditional Retail Only: Sales Tax Collected***	Traditional and Online Retail: Projected Sales Taxes**	Municipal Sales Tax Lost Revenue	3 Percent: Lost Revenue (per table above)	SSUT Distribution	Total Lost(Gained) Revenue
City of Tuscaloosa (3.57%)	80,323,855	89,397,724	\$ 9,073,869	\$ 2,523,641	\$ 8,161,898	\$ 3,435,612
City of Northport (3.15%)	23,307,231	25,940,157	\$ 2,632,926	\$ 664,116	\$ 2,550,593	\$ 746,449
Tuscaloosa County (0.429%)	-	-	-	\$ 1,899,372	\$ 7,619,420	\$ (5,720,048)

\*Received and distributed by Tuscaloosa County Special Tax Board

\*\*Calculated based on sales tax collected and increased based on the assumed percentage of retail sales occurring online

\*\*\*Pulled from FY2024 Financial Reports

# Capital One Spending Online Report

## Sales Tax Impact - FY 2024

Three-Percent Countywide Sales Tax							
County	<sup>1</sup> Population 18+	<sup>2</sup> Alabama: Online Spending per Capita	Online Spending Gross Sales	Sales Tax Lost w/o Destination Sourcing (3%)		Distribution to Recipients	
Tuscaloosa County	192,969	\$ 3,196	\$ 616,728,924	\$ 18,501,868		TCSS	\$ 4,625,467
						TCS	\$ 3,700,374
						City of Tuscaloosa	\$ 3,515,355
						Tuscaloosa County	\$ 2,645,767
						TCRIC	\$ 1,850,187
						DCH	\$ 1,239,625
						City of Northport	\$ 925,093
						<b>Total</b>	<b>\$ 18,501,868</b>

Municipal Sales Tax								
Local Governments	<sup>1</sup> Population 18+	<sup>2</sup> Alabama: Online Spending per Capita	Online Spending Gross Sales	Sales Tax Lost w/o Destination Sourcing		Three-Percent Lost Revenue (per above table)	SSUT Distribution	Total Lost (Gained) Revenue
City of Tuscaloosa	93,944	\$ 3,196	\$ 300,245,024	\$ 9,007,351		\$ 3,515,355	\$ 8,161,898	\$ 4,360,808
City of Northport	26,233	\$ 3,196	\$ 83,840,668	\$ 2,515,220		\$ 925,093	\$ 2,626,167	\$ 814,147
Tuscaloosa County						\$ 2,645,767	\$ 7,619,420	\$ (4,973,653)

Population is sourced from US Census Bureau

Alabama Online Spending is sourced from Capital One: \$3,196

**Methodology Comparison**  
**SSUT Impact on Tuscaloosa County - FY 2024**

<b>Three-Percent Countywide Sales Tax</b>			
<b>Recipient</b>	<b>16% Online Lost Revenue</b>	<b>10.15% Online Lost Revenue</b>	<b>\$3,196 Per Capita Lost Revenue</b>
TCSS	\$ 5,598,952	\$ 3,320,581	\$ 4,625,467
TCS	\$ 4,479,162	\$ 2,656,465	\$ 3,700,374
City of Tuscaloosa	\$ 4,255,204	\$ 2,523,641	\$ 3,515,355
TCRIC	\$ 2,239,581	\$ 1,328,232	\$ 1,850,187
DCH	\$ 1,500,519	\$ 889,916	\$ 1,239,625
City of Northport	\$ 1,119,790	\$ 664,116	\$ 925,093
<b>Total</b>	<b>\$ 19,193,208</b>	<b>\$ 11,382,951</b>	<b>\$ 15,856,101</b>

<b>Municipal Sales Tax</b>			
<b>City Governments: Sales Tax</b>	<b>16% Online Lost Revenue</b>	<b>10.15% Online Lost Revenue</b>	<b>\$3,196 Per Capita Lost Revenue</b>
City of Tuscaloosa	\$ 15,299,782	\$ 9,073,869	\$ 9,007,351
City of Northport	\$ 4,439,437	\$ 2,632,926	\$ 2,515,220
<b>Total</b>	<b>\$ 19,739,219</b>	<b>\$ 11,706,795</b>	<b>\$ 11,522,571</b>

<b>Total Sales Tax Revenue Impact</b>			
<b>All Local Governments: Sales Tax</b>	<b>16% Online Lost (Gained) Revenue</b>	<b>10.15% Online Lost (Gained) Revenue</b>	<b>\$3,196 Per Capita Lost (Gained) Revenue</b>
City of Tuscaloosa	\$ 11,393,088	\$ 3,435,612	\$ 4,360,808
City of Northport	\$ 3,008,670	\$ 746,449	\$ 814,147
Tuscaloosa County	\$ (4,416,819)	\$ (5,720,048)	\$ (4,973,653)
<b>Total</b>	<b>\$ 9,984,939</b>	<b>\$ (1,537,987)</b>	<b>\$ 201,302</b>

<sup>1</sup>Based on 16 percent of all retail sales are online - The US Census Bureau's August 2025 has the rate at 16.3 percent

<sup>2</sup>Based on Capital One Online Reporting that the average Alabamian spends \$3,196 online annually (18 years +)

<sup>3</sup>Based on Sonny Brasfield's methodology that in Alabama 10.15 percent of all retail sales are online