

TO: Attorneys/Other Professionals and Individuals doing business in
the Probate Office of Calhoun County

RE: IMPLEMENTATION OF ALABAMA ACT 2012-494

DATE: July 27, 2012

The Alabama Legislature has adopted Ala. Act 2012-494. A copy of this Act is attached for your information and review. If you prepare deeds, mortgages and/or bills of sale, or if you record documents relating to the transfer of real and/or personal property in any Alabama Probate Court, you should immediately review the Act. **IT BECOMES EFFECTIVE ON AUGUST 1, 2012.**

Act 2012-494 requires that when presenting a deed, bill of sale or other instrument conveying any interest in real or personal property within the State of Alabama, you are required by law to present proof of the actual purchase price of the property or actual value of the property at the time of the recording of the instrument(s) reflecting conveyance. Further, the Act provides that if such proof is not presented, Alabama Probate Courts are to: (1) compute the tax based upon the assessed value of the property, according to existing public records, AND (2) assess a penalty for failure to comply with the Act. Penalty by law is \$100.00 or 25 percent of the tax actually due, whichever is greater.

The Act also directs the Alabama Department of Revenue to develop a form that can be utilized by parties to attest to the actual value or actual purchase price of the subject property. Attached is the form the Alabama Department of Revenue has developed, in accordance with the Act.

Alabama Probate Courts are now being required to maintain records in order to substantiate the amount of tax being assessed in these types of transactions. Accordingly, Calhoun County will be recording the valuation form as part of the transfer documentation. Please include this form with computing the amount of tax to be remitted to the Court.

Effective August 1, 2012, the Calhoun County Probate Office will return documents, unrecorded, when the parties have not complied with Act 2012-494 and/or have not submitted the correct tax amount for payment.

PLEASE CONTACT THE PROBATE JUDGE'S OFFICE, Alice Martin, Probate Judge, or Shirley Miller, Assistant Chief Clerk, Recording Division, with any questions you may have regarding Act 2012-494.

Alice K. Martin, Judge of Probate
Calhoun County, Alabama
(256) 241-2825

Attachments