ALABAMA TAX TRIBUNAL

ALATRADE FOODS, INC.,	§	
Taxpayer,	§	DOCKET NO. S. 25-0013-RC
v.	§	
STATE OF ALABAMA DEPARTMENT OF REVENUE.	§	

OPINION AND FINAL ORDER

This appeal involves the denial by the Alabama Department of Revenue of a refund of utility gross receipts tax for the periods April 2021 through March 2022. A video hearing was conducted on December 3, 2025. Alatrade Foods, Inc., (the "Petitioner"[1]) was represented by Susan Nelson-Brown, and the State of Alabama Department of Revenue (the "Department") was represented by Assistant Counsel Hilary Y. Parks, Esq. Warren Watson, a Revenue Examiner III with the Department, appeared and testified under oath. Upon the Tribunal's request, the Department provided the Tribunal with a copy of Alabama Act 2018-180, which amended Ala. Code (1975) §§ 40-2A-3 and 40-2A-7 (unless otherwise indicated, all references to code sections herein shall refer to the CODE OF ALABAMA (1975)).

FACTS

The facts of this case are entirely uncontested. Through their pleadings, witness

1 In this opinion, Alatrade Foods, Inc., will be referred to as the "Petitioner" instead of the "Taxpayer" to avoid confusion, as the entities paying the taxes to the Department and filing the associated returns were not Alatrade Foods, Inc., but the water utilities from which it purchased water.

testimony, and arguments at the December 3 hearing, the parties elucidated the following facts, which the Tribunal accepts as established:

1. The Petitioner conducts a business processing chicken and chicken parts at multiple locations in Alabama, including Albertville, Boaz, and Phenix City.

2. As part of its processing operations, the Petitioner uses quantities of water, both to cut the chicken with high-pressure water and to rinse and marinate chicken.

3. For the period April 1, 2021, through April 30, 2024 (the "Refund Period"), the Petitioner paid Alabama Utility Gross Receipts Tax ("UGRT") on the water it used. Utility Gross Receipts Tax is authorized by §§ 40-21-80 through 40-21-88. The Petitioner paid these taxes to the Municipal Utilities Board of the City of Albertville and to Phenix City Utilities (the "Water Utilities").

4. Section 40-21-82(a) levies UGRT upon sales of, among other items, "Domestic Water." Domestic Water is defined as "[a]ll water except water that is sold to persons for use or consumption in industrial processes and not primarily for human consumption." § 40-21-80(2). Further, "[w]ater used in industrial processes shall mean water used by any person in the manufacturing, processing, compounding, mining or quarrying of tangible personal property for sale. Where water is used for both human consumption and industrial processing and more than 50 percent of the total water purchased is used in industrial processing, the gross receipts from the sale of the water would not be taxable." Ala. Admin. Code, r. 810-6-5-.26(4)(b) (2011).

5. The Petitioner and the Department agree that the water used by the Petitioner in its processing of chickens and chicken parts is used in an "industrial process" as that term is used in § 40-21-80(2) and r. 810-6-5-.26(4)(b), thereby exempting that water from the definition of "Domestic Water," and thus from the levy of UGRT. The Petitioner and the Department agree further that more than 50 percent of the Petitioner's purchases of water are used for industrial processes, and therefore under r. 810-6-5-.26(4)(b), all its purchases of water would be exempt from UGRT.

6. For the Refund Period, the Petitioner requested a refund from the Department of $22,893.59 it paid in UGRT to the Municipal Utilities Board of the City of Albertville, and a refund of $29,137.01 paid in UGRT to Phenix City Utilities.

7. The Department reviewed the Petitioner's refund requests. As a result of that review, it produced two Confidential Refund Reports, one for each request, both dated August 5, 2024.

8. Both Confidential Refund Reports reached the same conclusion; that the Petitioner was due refunds of the UGRT it had paid from April 1, 2022, through March 31, 2024. For the period April 1, 2021, through March 31, 2022, the Department denied the refunds. The reason for the Department's partial denial is that with respect to the periods preceding April 1, 2022, the Petitioner's refund requests (which the Department received by e-mail on May 20, 2024)[2] were made outside the applicable

2 In the Department's Reply to Taxpayer's Response, dated June 20, 2025, the Department states that it received the Petitioner's refund requests on July 25, 2024. The Confidential Refund Reports, however, state that the Department received the refund requests by email on May 20, 2024. This matters because if the Department actually received the refund requests on July 25, 2024, the months of

statute of limitations, imposed by § 40-2A-7(c)(2)a. With respect to water purchases from the Municipal Utilities Board of the City of Albertville, the Department authorized a refund of $17,080.38 (inclusive of interest) and disallowed the remainder of the request ($7,330.24). With respect to water purchases from Phenix City Utilities, the Department authorized a refund of $20,064.78 (inclusive of interest) and disallowed the remainder of the request ($10,935.28). Thus, the total refund approved was $37,145.16, and the total amount disallowed was $18,265.52.

9. The statute of limitations cited by the Department, § 40-2A-7(c)(2)a, reads, in pertinent part, as follows: "[a] petition for refund shall be filed with the department … within: (i) three years from the date that the return was filed; or (ii) two years from the date of payment of the tax, whichever is later, or, if no return was timely filed, two years from the date of payment of the tax."

10. The Department sent correspondence to the Petitioner, notifying it of the partial denial of its refund requests and transmitting the Confidential Refund Reports. The Petitioner appeals those partial denials to this Tribunal. Its Notice of Appeal was sent January 3, 2025, and its appeal is therefore timely pursuant to § 40-2A-7(c)(5)a.

11. Neither party contests that both the Water Utilities filed all required UGRT returns with the Department and paid the amounts shown as due on those returns in a timely fashion.

12. Alabama Act 2018-180, enacted March 8, 2018, changed the procedure for

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April and May, 2021, would have been out of statute even under the three-year statute of limitations advanced by the Petitioner. Because the Department has not raised this issue at any point in these

consumers petitioning for refunds of certain Alabama taxes, including UGRT. Prior to this Act, consumers petitioning for refunds of UGRT, sales or use tax, or transient occupancy tax were required to petition jointly with the Seller (to avoid confusion, the taxpayer collecting and remitting UGRT, sales, use, or transient occupancy taxes shall be referred to in this Opinion and Final Order as the "Seller"). Act 2018-180 altered § 40-2A-7(c)(1) by allowing a refund petition to be filed directly by "the consumer/purchaser who paid the tax directly to the [Seller] that collected the tax." That is, following Act 2018-180, consumers petitioning for refunds of UGRT were no longer required to petition jointly with the Seller that collected and paid over the tax. Act 2018-180 was effective immediately upon its enactment.

13. The Department admits that, following the enactment of Act 2018-180, the Department had a pattern or practice of approving petitions for refund directly from consumers that met the three-year statute of limitations of § 40-2A-7(c)(2)a. Mr. Watson testified that at an internal training session in or around November of 2023, he was informed that this was mistaken, and that the correct statute of limitations period was the two-year period provided for in § 40-2A-7(c)(2)a. That is the period the Department applied in the present case. Had the three-year statute applied, the Department would have approved the Petitioner's refund petitions in their entirety.

14. Mr. Watson testified that he is personally unaware of any instance of the Department seeking to recover refunds issued to consumers under the Department's previous, allegedly erroneous practice.

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proceedings, the Tribunal presumes that the Confidential Refund Reports are correct.

STANDARD OF REVIEW AND LAW

I. Standard of Review as Applied to Tax Refund Petitions

"Like tax exemptions, tax refunds are to be construed in favor of the taxing authority." State Dept. of Revenue v. Wells Fargo Financial Acceptance Alabama, Inc., 19 So. 3d 892, 894 (Ala. Civ. App. 2008) *citing* Smith v. Sears, Roebuck & Co., 672 So. 2d 794, 799 (Ala. Civ. App. 1995).

The Petitioner and the Department agree that, except for the statute of limitations issue, the entirety of the refunds the Petitioner requested would have been due. Consequently, the Tribunal is not called upon to apply the standard of review applicable to disputed refund cases; i.e., that refunds are a matter of legislative grace and therefore "anything less than *strict statutory compliance* is [not] sufficient to support a right to a tax refund from the State." Patterson v. Gladwin Corp., 835 So. 2d 137, 151 (Ala. 2002) (emphasis in original). Other than the statute of limitations issue, there is no dispute that the Petitioner complied strictly with the statutory method of requesting its disputed refunds.

II. Standard of Review as Applied to Statutory Construction

Rather, the disagreement between the parties is over the proper interpretation of § 40-2A-7(c)(2). "When interpreting a statute, this Court 'looks to the plain meaning of the words as written by the legislature.'" Blankenship v. Kennedy, 320 So. 3d 565, 567 (Ala. 2020), *quoting* DeKalb Cty. LP Gas Co. v. Suburban Gas, Inc., 729 So. 2d 270, 275 (Ala. 1998). "When interpreting a statute, a court must first give effect to the

intent of the legislature." Sears v. Hampton, 143 So. 3d 151, 154 (Ala. 2013), *quoting* BP Exploration & Oil, Inc. v. Hopkins, 678 So. 2d 1052 (Ala. 1996). "When a court construes a statute, '[w]ords used in [the] statute must be given their natural, plain, ordinary, and commonly understood meaning, and where plain language is used a court is bound to interpret that language to mean exactly what it says.'" Sears, *supra*, at 154, *quoting* Ex Parte Berryhill, 801 So. 2d 7, 10 (Ala. 2001). "The function of this Court is 'to say what the law is, not to say what it should be.'" Sears, *supra*, at 154, *quoting* Ex Parte Achenbach, 783 So. 2d 4, 7 (Ala. 2000).

Further, "'[i]n construing a statute, the intent of the legislature, as expressed in the statute, is ascertained and effectuated, and that intent may be gleaned from considering the language used, the reason and necessity for the act, and the goals sought to be accomplished.' McGuire Oil Co. v. Mapco, Inc., 612 So.2d 417 (Ala.1992). The court is to ascertain and give effect to the legislature's intent as expressed in the words of the statute. Commercial Standard Ins. Co. v. Alabama Surface Mining Reclamation Comm'n, 443 So.2d 1245 (Ala.Civ.App.1983), *cert. denied*, 467 U.S. 1242, 104 S.Ct. 3514, 82 L.Ed.2d 822 (1984)."

III. Cases of Statutory Ambiguity

"A statute susceptible to either of two opposing interpretations must be read in the manner that effectuates rather than frustrates the major purpose of the legislative draftsmen. Shapiro v. United States, 335 U.S. 1, 68 S.Ct. 1375, 92 L.Ed. 1787 (1948)." BP Exploration & Oil, Inc., *supra*, at 1054. "If the statute is ambiguous or uncertain,

the court may consider conditions which might arise under the provisions of the statute and examine results that will flow from giving the language in question one particular meaning rather than another." John Deere Co. v. Gamble, 523 So. 2d 95, 100 (Ala. 1988), *quoting* Studdard v. South Central Bell Telephone Co., 356 So. 2d 139 (Ala. 1978). "In deciding between alternative meanings to be given to an ambiguous or uncertain statutory provision, we will not only consider the results that flow from assigning one meaning over another, but will also presume that the legislature intended a rational result, … one that advances the legislative purpose in adopting the legislation, … that is 'workable and fair,' … and that is consistent with related statutory provisions…." John Deere Co., *supra*, at 100 (internal citations omitted). "[A] statute is not ambiguous unless competing principles of interpretation apply with roughly equal force…." Blankenship v. Kennedy, *supra*, at 569.

IV. Determining Whether Ambiguity Exists in a Statute

"An ambiguity exists where a term is reasonably subject to more than one interpretation." Cannon v. State Farm Mut. Auto. Ins. Co., 590 So. 2d 191, 194 (Ala. 1991). "That ambiguity necessitates engagement with the rules of statutory construction." Johnson v. Four-C Volunteer Fire Department, ____ So. 3d ____ (Ala. 2024), 2024 WL 5101169 (Dec. 13, 2024), *citing* Ex parte Ankrom, 152 So. 3d 397, 410 (Ala. 2013). "In determining whether judicial construction is required, '[t]he language of the entire statute under review must be read together and the determination of any ambiguity must be made on the basis of the entire statute.'" Simons v. State, 217 So. 3d

16, 25 (Ala. Crim. App. 2016), *quoting* Sheffield v. State, 708 So. 2d 899, 907 (Ala. Crim. App. 1997). "Because the meaning of statutory language depends on context, a statute is to be read as a whole." Ex parte Jackson, 614 So. 2d 405, 406 (Ala. 1993).

ANALYSIS

The crux of this case is which of two statutes of limitation apply to the Petitioner's refund requests; the three-year statute of § 40-2A-7(c)(2)a.i, or the two-year statute following § 40-2A-7(c)(2)a.ii. If the former applies, the Petitioner is correct, and it is entitled to receive the portion of the refunds it requested that the Department denied. If, on the other hand, the latter applies, the Department is correct, and the Petitioner is entitled to no further refunds.

This dispute would not have arisen but for the enactment of Act 2018-180. This is because, prior to that act, every refund request in Alabama included the Seller as one of the petitioning parties.[3] Joint petitions included, by their nature, the Seller of the property, which was the person or entity that filed the appropriate tax return(s) and directly paid the appropriate tax(es) to the Department. Act 2018-180, on the other hand, introduced a situation in which one party (the "consumer/purchaser" in the words of the statute; in this case, the Petitioner) requests a refund of taxes in fact paid to the Department by some other person or entity (the Seller), and regarding which

3 Indeed, on occasion the Seller has been the only entity signing a refund petition even when joint petitions were still required, as happened in State Dept. of Revenue v. Decatur RSA, LP, 247 So. 3d 378 (Ala. Civ. App. 2016), in which various affiliates of AT&T Mobility petitioned for refunds of "Internet tax" paid by its customers, taxes that were prohibited under the federal Internet Tax Freedom Act, 47 U.S.C. § 151. In that case, however, the AT&T entities were acting as their customers' attorneys-in-fact pursuant to a class action settlement agreement. Consequently, even though joint petitions were not signed by each individual AT&T customer, the petitions were nevertheless considered joint petitions.

some other person or entity (the Seller) would have filed appropriate tax returns. As the Department correctly notes, the Petitioner in this case did not file UGRT returns with the Department and did not directly pay UGRT to the Department; nor, in fact, could the Petitioner have done so, even had it wished.

The structure of § 40-2A-7(c)(2)a presumes that the person petitioning for a refund will be one and the same person as the person who was responsible for filing a return for that particular type of tax and for paying the tax as shown on the return (even if the person did not file the return as required, or filed the return in an untimely manner, or the return was in some other way defective). In fact, § 40-2A-7(c)(2)a provides two distinct occurrences, each of which implicates a different time period. The first such occurrence is that a taxpayer will have timely filed a required return. In such cases, the statute of limitations is "(i) three years from the date that the return was filed or (ii) two years from the date of the payment of the tax, whichever is later." Thus, in cases where the taxpayer pays the tax simultaneously with or near in time to filing the return, the statute will remain open for three years from the date of filing; whereas, in cases where the taxpayer timely files a return but pays the tax more than one year later, the second phrase will hold the statute open for two years from the date of payment, even if that is a longer period than three years from the date the return was filed.

The second occurrence is when a taxpayer files a return in an untimely manner or simply fails to file a return at all. In such cases, the applicable statute of limitations

is "two years from the date of payment of the tax." That is, taxpayers who file their returns late or not at all do not benefit from the three-year statute given to timely filers. This structure is fairly easy to understand and implement in a context where each refund petition will be made by a person (or jointly with a person) who filed or at least had the obligation to file a return; either that return was filed timely or it was not.

When Act 2018-180 came into force, it modified § 40-2A-7(c)(1). The Act reworked the second half of that provision dealing explicitly with sales or use taxes, UGRT, and transient occupancy tax, which are all taxes that consumers pay to Sellers, and the Sellers then remit to the Department. Where the section had previously required joint petitions, now such a petition can be made "by the consumer/purchaser who paid the tax directly to the taxpayer that collected the tax…." Sellers are still able to petition for refunds themselves in cases where the "[Seller] remitted in excess of the tax due, however never collected the tax from the consumer/purchaser," or in cases where the "consumer/purchaser paid the tax directly to the [Seller], provided that a refund shall not be paid to the taxpayer until after the tax has been credited or repaid to the consumer/purchaser by the [Seller]." Act 2018-180 not only eliminated the requirement that buyers and Sellers file joint petitions for refund, it eliminated even the possibility that they might do so. Following enactment, all petitions for refund of UGRT are made either by the "consumer/purchaser" or by the "taxpayer" (the Seller) on their own behalf and not on behalf of their partner in the transactions giving rise to the

tax. And thus, this Tribunal is faced with the novel problem of a petitioner requesting the Department refund to it taxes that it never paid to the Department to begin with, and for which it never filed (nor could it have filed) any accompanying return.

We now turn to the question whether the passage of Act 2018-180 rendered § 40-2A-7(c)(2)a ambiguous, even when the Act made no changes to that provision at all. It is quite possible for a previously unambiguous statute to become ambiguous due to statutory enactments elsewhere. "When the effect of condensing, embodying, and arranging statutes in a Code, is to create ambiguity or doubt as to their proper construction, the court will refer to, and consult the original acts, in connection with their history, and also of the sections proximate in arrangement, with which they are supposed to be correlative, in order to ascertain the legislative intent. … Unless the alteration of the original act is of such character as to manifest a clear intent to make a change in the construction and operation, effect will be given to the statute as originally framed by the [Legislature]." East Tennessee, V. & G. R. Co. v. Hughes, 76 Ala. 590 (Ala. 1884). "In this ascertainment, we must look to the entire Act instead of isolated phrases or clauses … and words are given their plain and usual meaning…. Moreover, just as statutes dealing with the same subject are *in pari materia* and should be construed together, … parts of the same statute are *in pari materia* and each part is entitled to equal weight." T-Mobile South, LLC v. Bonet, 85 So. 3d 963, 973 (Ala. 2011) *quoting* Darks Dairy, Inc. v. Alabama Dairy Comm'n, 367 So. 2d 1378, 1380-81 (ala. 1979).

In the Department's view (at least its view since November of 2023), the application of the statute of limitations to those in the Petitioner's situation is simple, and even self-evident. The Petitioner did not timely file a UGRT return, because it was never required to file a UGRT return (nor could it have done). Thus, "no return was timely filed," by the Petitioner, with the result that the statute of limitations is "two years from the date of payment of the tax," meaning, in this case, the date(s) of payment of the tax to the Water Utilities named above.

The Petitioner likewise believes the answer is clear, in that "the return" referred to in the statute is not a return that it could not possibly have filed but rather the UGRT return that was required to be filed (and that was in fact filed) by the Water Utilities. Because those returns were timely filed, the statute of limitations is "three years from the date that the return was filed."

I find that a reasonable person could come to either conclusion. The difficulty is in the consistent use of the passive voice in § 40-2A-7(c)(2)a. A petition for refund "shall be filed," one may have three years to petition for refund from the date "that the return was filed," or else two years "if no return was timely filed." Or, perhaps, two years from "payment of the tax." The unanswered question in each of these phrases (and a question that was irrelevant before Act 2018-180) is "filed by whom?" or "paid by whom?" There is no reason intrinsic to the statute's text that forces one to conclude the "whom" in question is the consumer/purchaser, nor that it is the Seller. Thus, I find that, in this context at least, § 40-2A-7(c)(2)a is ambiguous.

The Department's examiner, Mr. Watson, testified that it was his belief that this change in the law was intended to benefit taxpayers (meaning consumer/purchasers). It often happened, he stated, that payors of sales, use, UGRT and lodgings tax would find their Sellers unenthusiastic about joining them in petitioning for tax refunds, particularly given that the Sellers would ordinarily be keeping none of the refunded money themselves. Even in cases where the consumer's right to a refund was clear, he indicated, Sellers might have been unwilling to court audits or further entanglements with the Department, especially when the benefit to themselves was, at most, the thanks of a grateful (perhaps former) customer. Under the new law, the Sellers are cut out of the process entirely. Not only is their cooperation no longer required, but the Department will also pay their refunds if warranted, even if the Sellers themselves have failed to file tax returns or pay the tax due. For the Sellers, they no longer needed to involve themselves in tax disputes they had little to nothing to do with. Further, under the old system, consumers would necessarily find out if their Seller had perhaps failed to file its tax returns, or failed to pay its sales taxes, uncomfortable facts that would ordinarily have been confidential taxpayer information under § 40-2A-10. Both consumers and Sellers, then, stood to benefit from the changes wrought by Act 2018-180.

It is odd, then, that a statute with such beneficent purposes and such simplifying effects with respect to the two most recent years open to review should in exchange turn the third most recent year into a much higher and more intricate hurdle for

consumers and Sellers alike. This is because, as Mr. Watson testified, that third year is still, technically, able to be refunded. However, whereas before all that the consumer required of the Seller was its permission, now such a refund requires the Seller's full participation and, in many cases, not a little of its own money. This is due to the part of the statute permitting a Seller to petition for a refund if "the consumer/purchaser paid the tax directly to the [Seller], provided that a refund shall not be paid to the [Seller] until after the tax has been credited or repaid to the consumer/purchaser by the [Seller]." § 40-2A-7(c)(1) (emphasis added).

Let us take this Petitioner's own case as an example. For the Petitioner to have received the $18,265.52 the Department disallowed, the Water Utilities would first have had to pay that amount to the Petitioner, and then in turn filed their own refund petitions with the Department to be reimbursed. Under the statute as written, it could not be the other way round; that is, the Water Utilities could not petition for the refunds and then, if successful, pay those refunds to the Petitioner. The refund will be paid only if the Water Utilities had paid the Petitioner first. In the absolute best-case scenario, the Water Utilities would have lost the time value of $18,265.52 while the Department decided what to do.[4] In less fortunate circumstances, it is easy to foresee a situation in which the Water Utilities pay the Petitioner and then receive their refunds only after a lengthy delay, or, worst of all, have their requested refunds denied entirely.

Before the change, a consumer's request for a Seller to join it in a joint petition

4 It is true that the Department would pay interest as required by law when it ultimately pays the refund. However, any given Seller may be reasonable when wondering whether the State's rate of

might or might not be approved by the Seller for any of a myriad of reasons, but if approved after a careful review, the actions the Seller had to take were at least potentially minimal, consisting of signing the joint petition form and endorsing the ultimate refund check over to the consumer. Other than the risk of itself courting an audit, the financial risk to the Seller was small. Now, the Seller would be putting itself at great risk, even were it ready, willing, and able to accede to the consumer's request. And of course there would likely be many Sellers who would be unable to comply with such requests even if they wanted to, for lack of funds or ability to get the funds to prepay the refunds to their customers.

This scheme is the one that the Department insists the Legislature adopted when it passed Act 2018-180. Whereas before all consumers and all Sellers labored (even if awkwardly) under the same, uniform statutes of limitation, now a sharp distinction would be been drawn between consumers and Sellers; consumers can more easily receive refunds for taxes they overpaid within the past two years, but consumers and Sellers alike must go through difficult and sometimes utterly impossible steps to receive back taxes they overpaid in the third year past. While the Department asserts that this is the result the Legislature achieved, nowhere does it put forward any rationale, logic, or public policy purpose in making such a seemingly arbitrary and consequential distinction.

The Department is quite correct when it observes that it "cannot be estopped from applying the law as clearly indicated in the wording of a statute." As it states,

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interest is equal to or higher than the rate of return the Seller might earn if left to its own devices.

even if the Department makes mistakes, taxpayers are not entitled to rely upon the Department to continue making those same mistakes once a mistake has been identified. "The doctrine of equitable estoppel is not a bar to the correction … of a mistake of law." Dixon v. City of Auburn, 391 So. 3d 877, 884 (Ala. 2023) *quoting* State Highway Dept. v. Headrick Outdoor Advertising, Inc., 594 So. 2d 1202, 1205 (Ala. 1992). "In the assessment and collection of taxes the State is acting in its governmental capacity and it cannot be estopped with reference to these matters." State v. Maddox Tractor & Equipment Co., 69 So. 2d 426, 429 (Ala. 1953).

However, as to the question of whether the wording of § 40-2A-7(c)(1) is ambiguous in this context, it is worth noting that the Department itself interpreted and applied the statute the same way the Petitioner in this case does for more than 5 years. It would be remarkable for the Department to advance a position that no reasonable person could come to the same conclusion the Petitioner does when the Department itself did so until very recently.

Reading the changes made by Act 2018-180 to § 40-2A-7(c)(1) and § 40-2A-7(c)(2) *in pari materia*, presuming that the Legislature knew what it was doing and intended to create one unified[5] and whole scheme of law relating to petitions for refund, it is difficult to believe that the Legislature intended to create such an effective trap for the unwary. The language of the statute itself is ambiguous, and the Tribunal will not presume that the statute's intent was to speed through one class of refunds while

5 "The legislative intent of this chapter is to provide equitable and uniform procedures for the operation of the department and for all taxpayers when dealing with the department. … This chapter

hobbling another class when previously all such refunds had been treated alike.

The Tribunal concludes that, in the context of this petition for refund of UGRT, "the return[s]" in question in § 40-2A-7(c)(2) are the returns filed by the Water Utilities with the Department. Because these returns were filed in a timely manner, the statue of limitations is three years from the date of that filing; meaning, in this case, that all the months in the Refund Period were open at the time the Petitioner made its refund requests.

The Department's partial denials of the Petitioner's refund requests are reversed. The Department is directed to issue to the Petitioner the remainder of the UGRT refunds it requested ($18,265.52), with interest as required by law, in the ordinary course of operations.

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shall be liberally construed to allow substantial justice." § 40-2A-2(1)a (emphasis added).

This Opinion and Final Order may be appealed to circuit court within 30 days, pursuant to § 40-2B-2(m).

Entered December 10, 2025.

/s/ *Ralph M. Clements, III*
RALPH M. CLEMENTS, III
Associate Judge
Alabama Tax Tribunal

cc: Amy Lewis
Susan Nelson-Brown
Hilary Y. Parks, Esq.