

# **Bond Case Briefs**

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## **TAX - ALABAMA**

### **Bonedaddy's of Lee Branch, LLC v. City of Birmingham**

**Supreme Court of Alabama - September 4, 2015 - So.3d - 2015 WL 5192185**

City brought action against limited liability company (LLC) that operated restaurant and member of LLC seeking payment of business-license, occupational, and sales taxes. Following a bench trial, the Circuit Court entered judgment in favor of city and permanently enjoined LLC and member from operating a business within the city's corporate limits until all tax liabilities were satisfied. LLC and member appealed.

The Supreme Court of Alabama held that:

- City's failure to follow administrative procedures prior to suing LLC member deprived court of subject matter jurisdiction over sales tax claim;
- Failure to follow administrative procedures did not deprive court of subject matter jurisdiction over business-license and occupational tax claims;
- Member was not personally liable for business-license and occupational taxes owed by LLC; and
- LLC was provided with notices of final assessments.