

Understanding the Simplified Seller's Use Tax (SSUT) and Why Pelham Is Taking Action

The City of Pelham has joined a lawsuit challenging Alabama's Simplified Seller's Use Tax (SSUT). This state tax program affects how sales tax revenue from online purchases is distributed to cities and counties.

The SSUT was created to simplify tax collection for large online and out-of-state sellers. Under the program, these retailers collect a flat 8% tax on eligible online purchases. While the tax is collected statewide, local governments receive only a portion of it, which is distributed based on population rather than where the purchase was made.

For Pelham, this means that when residents shop online, much of the sales tax revenue that would usually support local services such as public safety, infrastructure, and education is redirected away from the city. According to estimates by Pelham's finance staff, the City experienced a net loss of more than \$3.3 million in FY2025 under the current SSUT structure.

"Pelham is joining other cities across Alabama to seek a more equitable approach to online sales taxation," said Pelham Mayor Rick Wash. "We believe sales tax laws should be applied fairly and consistently so local governments are not disadvantaged as consumer buying habits continue to change. This issue also has a significant impact on our school system and our students, and we have a responsibility to protect the resources that support our community."

City leaders are also concerned about what has been referred to as the "delivery service loophole," which allows some delivery and marketplace platforms to be taxed under SSUT—even when purchases are made from local grocery stores or businesses with a physical presence in the City. This further shifts locally generated tax dollars into the state pool instead of returning them to the community where the sale occurred.

Pelham has joined litigation led by the City of Tuscaloosa and other municipalities, arguing that the SSUT, as currently applied, unfairly disadvantages cities with strong retail bases and places local businesses at a competitive disadvantage compared to large national retailers. The goal of the lawsuit is not to oppose online commerce, but to pursue a fairer system that allows communities to retain revenue needed to serve residents effectively.



How the Simplified Seller's Use Tax (SSUT) Works in Pelham

When Pelham residents make certain online purchases, the Simplified Seller's Use Tax (SSUT) applies instead of the city's regular sales tax.

- The SSUT is a flat 8% tax collected by large online and out-of-state sellers.
- Of that 8%, 4% goes to the State of Alabama, and 4% is shared among local governments statewide.
- The local share is distributed based on population, not where the purchase occurred.
- As a result, Pelham does not receive the full local sales tax it would normally collect if the purchase were made at a local store.

City officials estimate this structure results in millions of dollars in lost local revenue each year, reducing funds available for services such as public safety, roads, and other community needs.

City of Pelham Provides FEMA Buyout Update, Outlines Next Steps for Flood-Impacted Residents

City of Pelham officials shared an essential update on the City's ongoing efforts to secure federal flood mitigation funding during a public news conference on December 11, with residents and media in attendance. While the update brought difficult news for many homeowners, City leadership emphasized that Pelham remains committed to advocating for residents and pursuing long-term solutions to reduce flooding.

The update centered on Pelham's \$14.4 million Flood Mitigation Assistance (FMA) buyout application, submitted to the Federal Emergency Management Agency (FEMA) in October 2023. The voluntary buyout program is designed to purchase and remove the most flood-prone homes and convert those properties into permanent green space.

FEMA recently notified the City that, based on its initial review, only a limited number of properties may advance to the next phase of evaluation. City officials stressed that this determination is not a final approval or denial and that the City believes some properties may have been incorrectly ruled ineligible due to incomplete or inaccurate insurance records.

Mayor Rick Wash acknowledged the frustration felt by residents who have waited years for clarity following the October 2021 flood.

"To our residents, we understand your frustration and we remain committed to advocating for you," Wash said. "Several members of city leadership are impacted by this ruling, myself included."

According to FEMA, eligibility for the FMA buyout program hinges largely on continuous coverage through the National Flood Insurance Program (NFIP). FEMA interprets this requirement as uninterrupted NFIP coverage dating back to the application period in October 2023. Any lapse in coverage, switch to a non-NFIP policy, or complications involving shared foundations can result in disqualification.

City Manager Gretchen DiFante explained that this rule has had a particularly severe impact on townhome communities.

"Under FEMA rules, a building with a shared foundation is considered one structure," DiFante said. "That means every owner on that shared foundation must have continuous NFIP coverage."



City officials shared that after FEMA released its initial list of properties, Pelham identified at least one case where a homeowner was excluded despite having documented proof of continuous coverage. That information was forwarded to FEMA, prompting the City to ask other homeowners to review their records and submit documentation if they believed FEMA's information was incorrect.

Before the established deadline, the City instructed affected residents to provide a Homeowner Acknowledgement of Voluntary Interest form along with proof of continuous NFIP coverage from October 2023 to the present. City staff reviewed all submitted materials and forwarded qualifying documentation to FEMA for further consideration.

Pelham's pursuit of federal mitigation funding has spanned multiple years and disaster programs. Following the 2021 flood and tornado, the City explored several grant programs, including the Hazard Mitigation Grant Program and, later, the Flood Mitigation Assistance program. While progress has been slow, Pelham's application was identified by FEMA in 2024 for further review — a step City officials described as encouraging, even as national delays continue.

DiFante noted that Pelham is not alone in this process.

"There were hundreds of applications nationwide in the same grant category, and none have been fully approved yet," she said.

While buyout funding remains uncertain, City leaders highlighted significant actions already taken to reduce flood risk across Pelham, including major debris removal along Cahaba Valley Creek, expanded drainage maintenance capabilities, strengthened development regulations, and planning for a regional flood mitigation effort with neighboring communities beginning in 2026.

“The City of Pelham is committed to a long-term fix for flooding,” Wash said. “We want to prevent what happened from happening again.”

City officials encouraged homeowners to maintain their NFIP coverage and to stay in contact with City staff if they have questions or concerns as the process continues. Pelham leadership reaffirmed that the City will continue to advocate for residents and pursue every available opportunity to address flooding and protect neighborhoods.

“We’re discouraged for our residents, and we wish it were different,” DiFante said. “But we’re not going to stop doing this work.”



Your City at Work

Here are some of the recent items approved by the Pelham City Council. [Please visit the City of Pelham website](#) for the complete text of the agendas, minutes, ordinances, and resolutions.

- Approved an Alabama Department of Revenue Tax Abatement Agreement between the City of Pelham, Edgar’s Old Style Bakery, LLC, and Dotry Enterprises, LLC.
- Approved an Alabama Department of Revenue Tax Abatement Agreement between the City of Pelham, Research Solutions Group, Inc., and JPM Investments, LLC.
- Authorized an agreement with Franklin Covey Company.
- Authorized two lighting services agreements with Alabama Power Company.
- Authorized an addendum to the Master Equity Lease Agreement between the City of Pelham and Enterprise Fleet Management.
- Appointed a City Clerk/Treasurer.
- Affirmed the Mayor’s appointment for Chief of Police.
- Affirmed the Mayor’s appointment for the Fire Chief.
- Appointed Council Member Markus Hal Snowden to the Pelham Planning Commission.
- Authorized a License Agreement for non-exclusive parking in the City of Pelham Entertainment District.
- Authorized the City of Pelham Department of Human Resources to provide the applicable pay plan step for an employee returning to work after suffering an on-duty injury.
- Accepted a proposal from and entered into an agreement with Professional Turfgrass Services for the Ballantrae Golf Club Driving Range Tee Box Renovations Project.
- Affirmed the Mayor’s appointment for Municipal Judge.
- Affirmed the Mayor’s appointment for Municipal Prosecutor.
- Affirmed the Mayor’s appointment for Municipal Public Defender.
- Accepted a proposal from Jim House & Associates, Inc. for the replacement of two existing pumps at Sewer Lift Station T.
- Authorized the City Attorney to fine on behalf of the City of Pelham regarding Simplified Sellers Use Tax (SSUT).
- Approved an ABC License Application 011-Lounge Retail Liquor-Class II (Package) and 990-Tobacco Only for applicant Encore Franchises, LLC, operating under the trade name Gallops Liquors and Spirits, located at 3569 Pelham Parkway, Suite 10.

Upcoming City Council Meetings

Monday, Jan. 5

Work Session: 5:30 p.m. - City Council 7:00 p.m.

Tuesday, Jan. 20*

***Rescheduled due to MLK Jr. Holiday**

Work Session: Time: TBA; City Council 7:00 p.m.



Bystander CPR Saves Lives

Written By: Chief Roy Simpson, EMS Director, Pelham Fire Dept.

Quick recognition of cardiac arrest combined with bystander CPR can double or triple a person's chance of survival. However, bystanders only perform CPR 46% of the time.

The six links in the adult out-of-hospital Chain of Survival are:

- Recognition of cardiac arrest and activation of the emergency response system (calling 9-1-1 in the US)
- Early CPR with an emphasis on chest compressions
- Rapid defibrillation
- Advanced resuscitation by Emergency Medical Services and other healthcare providers
- Post-cardiac arrest care
- Recovery (including additional treatment, observation, rehabilitation, and psychological support)

A strong Chain of Survival can improve chances of survival and recovery for victims of cardiac arrest.

The Pelham Fire Department offers community CPR classes on the second Thursday of each month. [To register for one of the American Heart Association \(AHA\) Heartsaver CPR courses, visit the CPR Training page on the Pelham Fire Department website.](#) "Heartsaver CPR" is geared toward the general public. "BLS Provider CPR" is tailored to healthcare providers and students. Be sure to click the "Registration Link" to sign up for a skills session with a Pelham Fire Department instructor.



QUICK ACTION & CPR SAVE A LIFE AT PELHAM RACQUET CLUB

An ordinary day at the Pelham Racquet Club turned into a life-or-death emergency in May 2025, when tennis player Gregg Tucker suddenly collapsed after finishing a match. Thanks to the immediate actions of bystanders and first responders, Tucker survived.

Without hesitation, fellow Club members Rusty Bozeman and Kim Conner, along with Racquet Club employee Cooper Dorough, rushed to help and began CPR. A staff member quickly retrieved and applied an AED while 911 was called.

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Firefighter/paramedics from Pelham Fire Station No. 1 arrived shortly after and took over care, providing advanced life support, including defibrillation, cardiac medications, and airway management.

When standard efforts were unsuccessful, Pelham firefighters used a newly authorized procedure, delivering two rapid defibrillator shocks using separate monitors to restore Tucker's heartbeat successfully. The coordinated response saved his life.

"It was a team effort," Tucker later said. "I'm very grateful."

The incident serves as a powerful reminder that bystander CPR, access to AEDs, and proper training truly save lives—and that when every second counts, prepared people make all the difference.

PELHAM FIREFIGHTER HONORED AT BOWL GAME

Pelham Firefighter Jake Lanier was recognized on the field at the First Responder Bowl in Dallas, Texas. Lanier was honored as the 2025 U.S. National Champion of the Firefighter Challenge Championship Series, a prestigious national competition testing strength, endurance, and firefighting skills.

Lanier was recognized alongside fellow honoree Allison Holmberg of the Murray City (Utah) Fire Department, who was named 2025 Rookie of the Year. The game was televised nationally on ESPN, spotlighting first responders from across the country.

Pelham is proud to celebrate Firefighter Lanier's achievement and the dedication he brings to serving the community.

