

1 HB54
2 190030-2
3 By Representative Mooney
4 RFD: Ways and Means General Fund
5 First Read: 05-MAR-19
6 PFD: 03/04/2019

2
3
4
5
6
7
8 SYNOPSIS: This bill would revise the lodging tax law
9 to exclude certain rentals that are not for
10 overnight accommodations from the lodging tax
11 consistent with the department rule on this
12 subject.

13
14 A BILL
15 TO BE ENTITLED
16 AN ACT

17
18 To amend Section 40-26-1, Code of Alabama 1975,
19 relating to lodging tax; to provide that the rental of room or
20 space in a hotel, motel, inn, tourist camp, tourist cabin, or
21 any other place which is not a room, lodging, or accommodation
22 regularly furnished for overnight sleeping purposes would not
23 be subject to the lodging tax.

24 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

25 Section 1. Section 40-26-1, Code of Alabama 1975, is
26 amended to read as follows:

27 "§40-26-1.

1 "(a) There is levied and imposed, in addition to all
2 other taxes of every kind now imposed by law, a privilege or
3 license tax upon every person, firm, or corporation engaging
4 in the business of renting or furnishing any room or rooms,
5 lodging, or accommodations to transients in any hotel, motel,
6 inn, tourist camp, tourist cabin, or any other place in which
7 rooms, lodgings, or accommodations are regularly furnished to
8 transients for a consideration, in any county which is located
9 in the geographic region comprising the Alabama mountain lakes
10 area, those being Blount, Cherokee, Colbert, Cullman, DeKalb,
11 Etowah, Franklin, Jackson, Lauderdale, Lawrence, Limestone,
12 Madison, Marion, Marshall, Morgan, and Winston, in an amount
13 to be determined by the application of the rate of five
14 percent of the charge for such room, rooms, lodgings, or
15 accommodations, including the charge for use or rental of
16 personal property and services furnished in such room, and the
17 rate of four percent of the charge in every other county.
18 There is exempted from the tax levied under this chapter any
19 rentals or services taxed under Division 1 of Article 1 of
20 Chapter 23 of this title.

21 "(b) The tax shall not apply to rooms, lodgings, or
22 accommodations supplied: (i) For a period of 180 continuous
23 days or more in any place; (ii) by camps, conference centers,
24 or similar facilities operated by nonprofit organizations
25 primarily for the benefit of, and in connection with,
26 recreational or educational programs for children, students,
27 or members or guests of other nonprofit organizations during

1 any calendar year; or (iii) by privately operated camps,
2 conference centers, or similar facilities that provide lodging
3 and recreational or educational programs exclusively for the
4 benefit of children, students, or members or guests of
5 nonprofit organizations during any calendar year.

6 "(c) For purposes of subsection (b): "Children"
7 means individuals under age 21; "student" is defined in
8 accordance with 26 U.S.C. §151(c)(4), as in effect from time
9 to time or by any successor law; "nonprofit organization" is
10 an organization exempt from federal income tax under 26 U.S.C.
11 §501(c)(3), as in effect from time to time or any successor
12 law; and "privately operated" refers to any camp, conference
13 center, or similar facility other than those operated by a
14 nonprofit organization as herein defined.

15 "(d) (1) Charges made for the rental of a ballroom,
16 dining room, club room, sample room, conference room, wedding
17 chapel, or similar room or space that is not intended nor
18 suitable for overnight sleeping purposes and that is not used
19 for overnight sleeping purposes is not subject to the tax
20 levied pursuant to this chapter if the charges for the rental
21 are separately stated by the facility and the room or space is
22 used exclusively as a room or space for a meeting, conference,
23 seminar, club meeting, private party, or similar activity.

24 "(2) The exclusion provided in subdivision (1)
25 applies solely to the transient occupancy tax levied under
26 this chapter and does not apply to any other taxes, licenses,
27 or fees except a separately stated rental charge for a meeting

1 room or other space excluded pursuant to subdivision (1) is
2 also excluded from the tax levied by Chapter 23 of Title 40."

3 Section 2. All laws or parts of laws which conflict
4 with this act are repealed.

5 Section 3. This act shall become effective on the
6 first day of the third month following its passage and
7 approval by the Governor, or its otherwise becoming law.